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The Global Newspaper
Edited in Paris
Printed Simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague and Marseille

WEATHER DATA APPEAR ON PAGE 12

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Algeria ...... 6.00 Din.	Israel ...... NIS. 1.80	Norway ...... 7.50 N.Kr.
Austria ...... 20 S.	Italy ...... 1,700 Lire	Oman ...... 0.700 Rials
Bahrain ...... 0.650 Din.	Jordan ...... 450 Fils	Portugal ...... 110 Esc.
Belgium ...... 49 B.Fr.	Kenya ...... Shs. 20.00	Qatar ...... 6.50 Rials
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No. 32,033 08/86 ** PARIS, MONDAY, FEBRUARY 17, 1986 ESTABLISHED 1887

Suicide Bombings In Lebanon Tied to Pro-Syrian Factions

By Thomas L. Friedman
New York Times Service

MARJAYOUN, Lebanon — Suicide terrorist bombings in Lebanon, once believed to be the work of pro-Iranian fanatics, have in the last year become directly linked to pro-Syrian secular groups, according to evidence collected by the Israeli Army, counterterrorism experts and residents of southern Lebanon.

On the basis of their experience with suicide terrorism, senior Israeli officers and counterterrorism experts have concluded that there is no truth to previous assumptions that suicide terrorism is exclusively a phenomenon of the Shiite Moslem religion.

Nor is it true, they concluded, that hundreds of devout Shiites have been trained and are prepared to blow themselves up against "infidel" targets, or that there is practically no way to stop such warfare.

Israeli officials said they now believed that suicide terrorism could be combated effectively. They noted that there had not been a single act of suicide terrorism since Nov. 26 after several months of almost weekly occurrences.

The officials said they had fought suicide terrorism by treating it not as the work of an inexhaustible supply of religious fanatics but as the product of national intelligence groups.

The groups, they reason, exploit the psychological weaknesses or religious fervor of a very small group of people who can be persuaded to kill themselves or be tricked into doing so.

Israel faces a special situation in southern Lebanon, a combination of guerrilla warfare and terrorism that Israeli officials there have dubbed "terrorilla."

But officials and experts said the information they had gathered may help Western nations fight international terrorism elsewhere, particularly in light of recent declarations by the Libyan leader, Colonel Moamer Qadhafi, that he is training suicide squads to operate abroad.

Between April 9 and Nov. 26 of last year, Israeli forces in Lebanon and their allies in the South Lebanon Army militia were exposed to 15 suicide attacks.

The methods included car bombs, exploding mules and men who wore dynamite-filled vests. Three of the bombers were captured alive by the Israelis before reaching their targets.

Not one of those suicide attacks appears to have been mounted by a Shiite organization, judging from the claims of responsibility that were broadcast in Lebanon, in Syria and by other sources.

"What we are dealing with here is not a Shiite phenomenon, or hordes of Allah-driven people ready to die for Khomeini, or people who have been acting out of religious fervor," said Ariel Merari, a psychologist at Tel Aviv University and an expert on terrorism. He was referring to the Ayatollah Ruhollah Khomeini, Iran's leader.

"Most of the people we have encountered in south Lebanon worship Syria's President Assad, not Allah," he said.

Israeli officials said they still believed that suicide terrorism in Lebanon began with pro-Iranian Shiite groups who took responsibility for attacks at the U.S. Embassy and Marine garrison in Beirut in 1983, among other bombings.

According to Israeli officials and Shiite residents of southern Lebanon, however, Shiite organizations more or less renounced suicide warfare after the Israeli Army withdrew most of its forces from Lebanon last spring and set up what Israel has described as a security

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Corazon C. Aquino and her vice presidential candidate, Salvador H. Laurel, at a rally Sunday in Manila at which they called for "nonviolent struggle" against the regime.

The Associated Press

Aquino Urges Strike, 'Nonviolent Struggle;' General Ver Resigns

By Michael Richardson
International Herald Tribune

MANILA — Corazon C. Aquino, the challenger in the disputed Philippine election, issued a call before a rally of more than 500,000 people Sunday for a "nonviolent struggle," including a one-day general strike, against the government of President Ferdinand E. Marcos.

The rally, which demonstrated support for Mrs. Aquino's claim that Mr. Marcos was fraudulently elected, came amid signs that the president was having to make concessions because of criticism of the election within the Philippines and by the United States.

Mr. Marcos announced that he had accepted the resignation of his armed forces chief, General Fabian Ver, in what he said was part of an extensive revamping of the country's military and civilian leadership.

Senior U.S. officials have repeatedly sought the removal of General Ver, claiming that his presence inhibited attempts to reform the military and turn it into a more effective counterinsurgency force.

Mr. Marcos said General Ver, one of his closest aides, would be replaced by General Fidel Ramos, the present deputy chief of staff.

Mr. Marcos, who was formally proclaimed by the national assembly Saturday as the winner of the Feb. 7 election, also promised to review a wide range of policies and the highly centralized system of government that has been created during his 20-year rule.

Marcos ordered the arrest of priests working with Communist guerrillas. Page 5.

Between 500,000 and 700,000 people attended the Aquino rally, according to independent observers.

Mrs. Aquino announced a program of countrywide demonstrations and a "nonviolent struggle," including a general strike Feb. 26. That is the day after Mr. Marcos is to be formally sworn in as president for a six-year term.

She also called on people to boycott seven banks, several companies and much of the media that are controlled by, or have close links with, Mr. Marcos and his family.

While she did not advocate nonpayment of government taxes, she said payment of public utility charges should be delayed and other nonviolent forms of protest should be tried.

In a speech punctuated by frequent chanting and cheering from her supporters, she said, "We have come here to proclaim the true victory of the Filipino people and to continue the struggle against the forces of evil."

Mr. Marcos was proclaimed official winner of the presidential contest late Saturday night after the national assembly finished canvassing electoral returns.

The final count was 10,807,197 votes for Mr. Marcos to 9,291,716 for Mrs. Aquino. Arturo M. Tolentino, his vice presidential running mate, had 10,134,130 votes to 9,173,105 for Salvador H. Laurel.

(Continued on Page 5, Col. 3)

Soares Wins In Portugal, Rightist Says

Compiled by Our Staff From Dispatches

LISBON — Diogo Freitas do Amaral, the rightist candidate, conceded defeat Sunday to Mário Soares in Portugal's presidential elections.

Mr. Freitas do Amaral said, "I accept Mário Soares' victory and give him my congratulations."

With more than two thirds of the vote counted, Mr. Soares had 50.2 per cent of the vote, compared with 49.8 for Mr. Freitas do Amaral.

Earlier Sunday, officials at the National Election Center had predicted that former Mr. a Socialist and a former prime minister, would win the second-round presidential election with 51.7 percent of the vote.

The prediction, with more than 50 percent of the country's 4,138 precincts reporting, confirmed a forecast by state-run television that Mr. Soares, 61, would defeat the Mr. Freitas do Amaral to become the first elected civilian president since 1926.

The rate of abstention among the nation's 7.6 million registered voters was expected to be about 22 percent, down slightly from the 24.6 percent in the first round Jan. 26 when Mr. Freitas do Amaral led a field of four candidates with 46.3 percent of the vote. Mr. Soares polled 25.4 percent in that election.

The official prediction gave Mr. Freitas do Amaral 48.3 percent of the vote Sunday.

Analysts said that Mr. Soares's success Sunday was due in part to support from the pro-Moscow Communist Party, which urged its members to support Mr. Soares to defeat the right. The Communist candidate in the first round won 20.9 percent.

The election Sunday was Portugal's fourth national poll in as many months and its 14th since returning to representative government 12 years ago.

Successive heads of state were military men who owed their position to a dictator, António de Oliveira Salazar, and his successor, Marcello Caetano, who was overthrown April 25, 1974.

The three presidents since then have come from the military, including António Ramalho Eanes, the outgoing president. Under Portuguese law, Mr. Eanes could not succeed himself after two consecutive five-year terms.

Mr. Freitas do Amaral campaigned on the need for a rightist president to reinforce the minority government of Prime Minister Anabal Cavaco Silva, a conservative, and urged streamlining of what he called a top-heavy and inefficient bureaucracy and state industrial sector.

Mr. Soares has said that he would have no problem serving as president with a rightist minority.

The Socialists, the Communist Party and members of Mr. Eanes's Democratic Renewal Party can outvote the right when they agree to join forces.

Until April 1974, the job of president in Portugal was largely ceremonial. But starting with June 1976 presidential elections, the president's powers became more extensive, including the ability to veto legislation and dissolve the parliament.

Since a 1983 constitutional reform, supported by both Mr. Freitas do Amaral, a former deputy prime minister, and Mr. Soares, presidential powers have been curbed. The president can still dissolve the parliament, however, after consulting with the Council of State. *(Reuters, AP)*

Reagan Directly Blames Marcos for Irregularities

By Leslie H. Gelb
New York Times Service

WASHINGTON — President Ronald Reagan, in a marked shift of emphasis, has directly blamed President Ferdinand E. Marcos's party for widespread fraud and violence in the recent Philippine presidential election.

In a statement issued Saturday from California, where Mr. Reagan is on vacation, Mr. Reagan said that while American observers' final reports on the election are not in, "it has already become evident, sadly, that the elections were marred by widespread fraud and violence perpetrated largely by the ruling party."

The statement went on to say that the evidence "was so extreme that the election's credibility has been called into question both within the Philippines and in the United States."

This represented a significant change from Mr. Reagan's remark at his news conference on Tuesday that fraud "could have been" occurring on "both sides."

Asked about the change, a Reagan administration official with the president in Santa Barbara would say only that "evidence keeps growing" of fraud by Marcos backers.

High-ranking administration officials in Washington said Saturday that the statement reflected a decision by the Reagan administration to look beyond the election.

The officials said the administration sought to arrange some accommodation between the contending forces and begin what one official called "the post-Marcos transition period."

The officials would not define how that would be brought about or whether the administration was contemplating a cutoff or cutback in American military and economic aid to Manila.

Representative Stephen J. Solarz, the New York Democrat who is chairman of the House Foreign Affairs subcommittee on East Asia and the Pacific, said Saturday that he hoped his panel could "take up

(Continued on Page 5, Col. 3)

The Associated Press

President Marcos, flanked by his wife, Imelda, and his vice presidential running mate, Arturo M. Tolentino, celebrate after the Philippine legislature proclaimed his re-election.

Vote Fraud: Unique Twist Is Alleged

By Francis X. Clines
New York Times Service

MANILA — The citizens' watchdog group for the Philippine presidential election has asserted that an ingenious method of registration fraud produced disenfranchisement of up to two million opposition voters.

The purported scheme involved the use of letter carriers and water-meter readers in a "litmus test" of voter sympathy, according to Jose Concepcion, the chairman of the watchdog group, the National Movement for Free Elections, or Namfrel.

He said the workers, watching street by street on their regular rounds, noted which householders removed pro-government campaign stickers that had been affixed, as if casually, to doors and windows before the election Feb. 7.

This showed precinct patterns of residents likely to oppose President

(Continued on Page 5, Col. 5)

Reuters

A man was rushed to a clinic after suffering a bullet wound in the chest during the clashes in Alexandra township.

From Raids to Ritual Murder, South African Unrest Goes On

By Glenn Frankel
Washington Post Service

ALEXANDRA, South Africa — The victims started trickling into the clinic around noon. There were people with birdshot or rubber-bullet wounds, burns and cuts. A baby was brought in with a grazed head, and a small girl with burns on her face and arms.

By nightfall, the victims treated at the clinic numbered more than 30. Volunteers said that three, including a 13-year-old boy, had died.

The details were hazy but typical. A funeral held Saturday morning for two black activists who were killed in mysterious circumstances in this township near Johannesburg had led to gasoline-bomb attacks on several houses, shops and police cars.

Police had opened fire with shotguns, rubber bullets and tear gas.

For the police, it was just another incident in the long "situation report" that they compile nightly. The report for Saturday night also showed four other deaths and two police injuries in scattered violence.

But the disturbance following the funeral, along with more than three dozen other incidents last week, showed that South Africa's civil violence continues to burn at or near the same intensity as last year, although it is receding from international attention.

The events in townships throughout the country last week underscored both the extent and variety of the unrest, which is now in its 18th month. Three of South Africa's major urban centers remain under a state of emergency that was announced nearly seven months ago by the white-minority government.

Illegal demonstrations and school boycotts, police raids, angry funerals and renewed factional fighting between rival blacks all triggered the unrest, following the familiar patterns of last year. Last year was the most violent year in South Africa's long history of racial struggle.

At least 28 persons were killed last week, all but one of them black.

Among the dead were alleged rioters shot by police, including school-age children; policemen killed by other rioters; and supporters of a black radical movement who were slain in ritual fashion, allegedly by members of another movement.

Among the incidents were the following:

- A riot in a black township south of Durban in which three policemen were shot and hacked to death by a mob when their vehicle stalled.
- The discovery of the charred corpses of five blacks who had been hacked to death and set on fire in a township near Port Elizabeth. Assailants had bound their hands and feet with thin wire, placed gasoline-filled tires around their necks and set them afire.

The ritual, known as the "necklace" is used against people whom black radicals consider to have sold out.

- A series of confrontations between police and youths in the black townships of Atteridgeville and Mamelodi, both outside the capital, Pretoria. At least four blacks were killed, including three boys, and a black policeman remains in critical condition from stab wounds.

As in the past, police were blamed for provoking some of the incidents.

Police using helicopters staged an early morning raid Thursday on the Wilgespruit Fellowship Center, a church retreat west of Johannesburg, and rounded up 55 black youths. The youths had taken shelter in the building to escape the violence in the townships where they live.

Witnesses said the youths panicked and fled when the helicopters arrived and that police opened fire without provocation, wounding at least two. A police spokesman said that shots had been fired "at fleeing suspects in order to effect arrests."

In lifting the state of emergency in seven rural areas a week ago, President Pieter W. Botha said that the violence was subsiding.

Louis Le Grange, the law and order minister, told Parliament recently that incidents of unrest in western Cape Province had plunged from 1,413 last October to 162 in December.

But the death toll remains high. In January, 169 people died in unrest, the highest monthly figure yet, according to the South African Institute of Race Relations.

French Planes Bomb Chad Airfield Built by Libya to Support Rebels

By Michael Dobbs
Washington Post Service

PARIS — French aircraft bombed a Libyan-built airfield in northern Chad on Sunday in retaliation for Tripoli's logistical support for rebels seeking to overthrow the government of Hissène Habré.

A statement by the Defense Ministry in Paris said that the bombing mission was carried out on the orders of President François Mitterrand in retaliation for last week's offensive by Libyan-backed rebels.

Describing the raid as "a complete success," the ministry said that the Jaguar aircraft evaded enemy radar and anti-aircraft missiles around Ouadi Doum airfield and returned safely to their bases.

The government sent about 3,000 troops to its former African colony in August 1983. They were withdrawn in November 1984, but France promised to prevent the rebels from crossing a "red line" along the 16th parallel that divides the north of the country from the south.

According to reports from Ndjamena, about 200 French air commandos have arrived in the Chad capital to supervise the increased flow of military hardware and ammunition to Mr. Habré's forces. About 1,500 French troops in the neighboring Central African Republic have also been placed on alert.

[Mr. Habré welcomed the raid, saying it showed France had begun to "be by the side of the Chadians" and would respect its commitments to the country, Reuters reported from Ndjamena.]

Reacting to the bombing raid, Tripoli radio accused France of attacking a civilian airport "used for landing medical supplies and food for the famine victims of northern Chad."

[The Libyan press agency JANA said Libya has called for an immediate end to the fighting in Chad, Reuters reported from London.]

French officials described Sunday's bombing raid as a warning to the Libyan leader, Colonel Moamer Qadhafi, after a flare-up in the 20-year civil war in Chad, a landlocked African state that borders on Libya.

The Habré government has accused Libyan troops of playing an active role in the fighting in addition to providing logistical support to the rebels, who are led by a former president, Goukouni Oueddei.

Although Defense Minister Paul Quilès of France insisted that the airstrip was the sole target of the mission, there was some speculation in Paris that Libyan technicians and ground staff could have been injured in the attack.

Mr. Quilès said the bombing raid demonstrated France's "determination to help Chad in the face of a foreign intervention".

The Habre government announced Saturday that it had succeeded in holding back the rebel offensive that began last Monday.

According to French officials, the bombing mission was conducted by 15 Jaguar aircraft stationed at a French military base in the Central African Republic. The Jaguars, which had to be refueled en route, were protected by Mirage fighters as they flew to the airfield, which is about 550 miles (890 kilometers) northeast of Ndjamena.

With French legislative elections coming next month, diplomatic analysts in Paris said that Mr. Mitterrand was anxious to avoid giving the impression of weakness. It is widely believed in Paris that the latest rebel offensive was timed to take advantage of the election cam-

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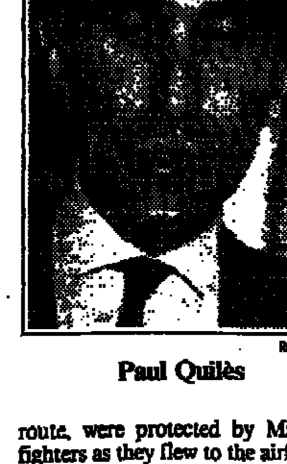

Reuters

Paul Quilès

Soviet Tried to Buy 3 U.S. Banks

By Martin Tolchin
New York Times Service

WASHINGTON — The Soviet Union secretly tried to acquire three banks in northern California and an interest in a fourth to gain access to advanced American technology, U.S. intelligence and military officials say.

The attempt was part of what American officials have described as a broad Soviet effort to acquire Western technology for military and commercial purposes.

The scheme failed when an agent of the Central Intelligence Agency in the mid-1970s noticed a peculiar lending pattern by the Singapore branch of a Soviet bank, according to officials.

The case attracted little attention in the United States, and U.S. officials and private lawyers familiar with it provided details that have not been previously disclosed.

American intelligence, military and banking officials, along with some members of Congress, said the incident raised questions about whether U.S. banking statutes, even those that have been strengthened since then, are adequate to cope with a threat to national security.

If the Soviet Union had managed to take over a bank, the officials said, it could have learned about the confidential finances of American high-technology companies, perhaps enabling it to put pressure on executives and companies or even take one over.

The plan, which did not violate any laws, was aborted after a $1.8-million down payment was made on the banks: the Peninsula National Bank in Burlingame, the First National Bank of Fresno, and the Tahoe National Bank in South Lake Tahoe.

In addition, the Soviet Union sought partial interest in the Ca-

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Ad Firms Enter French Election

Style Replacing Substance As Candidates Vie for Votes

By Julian Nundy
International Herald Tribune

PARIS — "It's like a wrestling match where no one gets hurt. But everyone is happy, especially the referee — François Mitterrand."

These words, spoken at a political rally on Saturday by Jean-Pierre Stirbois, the secretary-general of France's far-right National Front, summarize the feelings of many political commentators that the campaign for National Assembly elections on March 16 has been lacking in significant debate.

The elections are among the most important in France's recent history, presaging a possible constitutional crisis as the center-right opposition is expected to win. This would deprive President Mitterrand, who has two years of his mandate still to run, of his Socialist majority in Parliament.

Opposition politicians have concentrated on their attitude to governing with Mr. Mitterrand still in place, an option dubbed *cohabitation*, often relegating discussion of the issues that separate them from the current government to a poor second place.

In addition, the opposition has been badly split by differences between the two main centrist leaders, former Prime Minister Raymond Barre, who opposes cohabitation, and former President Valéry Giscard d'Estaing. Mr. Giscard d'Estaing and Jacques Chirac, of the neo-Gaullist Rally for the Republic, have both said they would govern under Mr. Mitterrand.

The Socialists, meanwhile, have devoted the major part of their campaign speeches in recent weeks to playing on the opposition's differences.

The result, according to the Paris newspaper Le Monde, has been an "ideological no-man's land" in which no new ideas or policies have arisen to stir the voter's interest.

But if meaningful political debate has been missing, style has not as advertising consultants have made important inroads into the French political scene.

All over French cities, posters show 10 men in shirtsleeves and two women, the neo-Gaullist leaders, tripping lightly arm-in-arm through a green field against a clear blue sky. A slogan proclaims "*Vivement Demain*," roughly translated as "Hooray for Tomorrow."

Another poster, similar in spirit, shows Mr. Giscard d'Estaing, also in shirtsleeves but tieless in a blossom-filled orchard, urging voters toward "A Liberal Spring."

The Socialist response has been more original. At the end of 1985, terrified, recoiling figures started to appear on billboards with the words: "Help! The right is coming back."

On other Socialist posters, a slavering cartoon wolf menacingly surveys the public. Above the wolf's head appears the question: "Tell me, pretty right, why do you have such big teeth?"

New posters with new themes appear periodically and the tempo is expected to increase until two weeks before the election when, according to law, no more stickers can be pasted on billboards.

According to Thierry Saussez, an advertising consultant who has organized a neo-Gaullist candidate's campaign in northern France and another for the centrist Union for French Democracy, near Paris, the major parties will spend around 600 million francs ($83 million) altogether on their campaigns this year.

The Socialist Party official in charge of the campaign, André Laignel, said that his party has budgeted 50 million francs and concedes that the posters are unlikely to make a difference of more than a percentage point or two.

But, for the Socialists, the odd percentage point could be crucial as Mr. Mitterrand has set a goal of 30 percent of the votes to insure that his supporters retain a significant voice in Parliament and are well placed for the next round of electioneering.

A recent opinion poll published in the weekly Le Point gave the Socialists 28.5 percent of the vote and 187 seats in the 577-seat assembly. The poll projected 309 seats for the center-right opposition with the others going mainly to the Communist Party and National Front, neither of which is likely to have any say in the formation of a new government.

The use of advertising consultants by French politicians goes back to the unsuccessful presidential campaign of Jean Lecanuet, a centrist who tried to unseat President Charles de Gaulle in 1965. Mr. Lecanuet appeared at meetings surrounded by smiling hostesses and carefully nurtured a television image, gaining the nickname "Mr. White Teeth."

But the current election is the first in which political parties have commissioned such sophisticated poster campaigns.

And in the view of Michel Bongrand, who organized Mr. Lecanuet's campaign and now is in charge of Mr. Barre's, such campaigns are unlikely to stay part of the French political scene for long.

He told the conservative newspaper Le Figaro: "All these experiments correspond to errors that I made in the past and that I shall not make again. This fashion will pass like that of the miniskirt."

le vote communiste
LA FORCE POUR SE DÉFENDRE ET S'EN SORTIR
Bonne année la France!
PRENONS UNE FRANCE D'AVANCE
Dis moi, jolie droite, pourquoi as-tu de si grandes dents?

Gamma

Billboards and other image-making devices are playing a major role in the French elections.

Jew Found Murdered In Beirut

United Press International

BEIRUT — Police discovered the body of a Jew dumped in West Beirut on Sunday by his Moslem fundamentalist kidnappers. They said they killed him for being an Israeli spy.

A police spokesman said Ibrahim Benesti, in his 50s, was found near a vegetable market hours after the group said it had killed him.

Mr. Benesti had apparently been shot once in the head and severely beaten. His chest and stomach were covered with bruises.

A copy of a statement from the Organization of the Oppressed on the Earth was found with him. It said the group had kidnapped two other Jews and that Mr. Benesti was killed as an example to "other agents" of Israel.

He was the third Jewish hostage to be killed in two months by the group.

The statement was accompanied by photographs of Mr. Benesti and two others, Yehuda Benesti and Youssef Benesti, apparently members of the same family.

The Organization of the Oppressed on the Earth did not say when or where it abducted the three Jews, who had not been mentioned before.

The Associated Press

A Moslem group released a photograph of Ibrahim Benesti, who was found shot to death on Sunday in Beirut.

The group claims to have killed Chaim Cohen Halallah, 39, and Issac Tarab, 69, in the last week of 1985 and claims to have taken two other Jewish hostages from West Beirut's Jewish community, which now numbers fewer than 30.

Jewish officials have said three more Jews are still missing after being kidnapped in West Beirut, including a Youssef Tinesti. It was not clear if Mr. Tinesti, who was taken May 18, 1985, was in fact Youssef Benesti.

The group said the killing was a result of Israel's continued occupation of southern Lebanon, "the violation of the Al Aqsa Mosque in Jerusalem" and the shelling of villages in southern Lebanon by Israeli-backed forces.

The statement said: "We call upon our leaders to counter the dangers and liquidate those cooperating with Israel because some of them have attained high security posts. Or else, we shall punish them in our own way."

■ **Gemayel Arrives in Paris**

President Amin Gemayel of Lebanon arrived Sunday in Paris for a visit that is widely seen as a bid to win support to head off pressure for his resignation, Reuters reported from Paris.

French officials said Mr. Gemayel would attend the first summit meeting of French-speaking leaders, which opens Monday, and would hold talks with President François Mitterrand.

Shcharansky Says KGB Did Not Alter His Ideals

By David K. Shipler
New York Times Service

JERUSALEM — The news about Anatoli B. Shcharansky is that he has not changed very much.

"I did not change in the respect which interested the KGB," Mr. Shcharansky said Saturday in an interview, referring to agents of the security police.

"From their point of view I would not change. The principles which I formed for myself after my arrest; I remained true to myself until the minute I left the plane."

He was referring to the plane that took him from Moscow to East Berlin on Feb. 10 as part of an East-West exchange of prisoners. He was released the following day.

Mr. Shcharansky estimated that the Soviet Union, with a population of nearly 280 million people, had 13 million under some form of confinement or restraint, including 10,000 to 20,000 political prisoners.

He said he had obtained the figures from the cell mate of a Soviet official who was arrested a few years ago.

As before his arrest, Mr. Shcharansky preferred to talk about human rights problems rather than himself.

After nine years of confinement, he apparently is much the same person who was arrested in a Soviet campaign to taint the Jewish emigration movement with the charge of treason.

He is older, to be sure, and has less hair than before. He was 29 when he was arrested, and he is 38 now. He has lost his chubbiness, despite efforts to fatten him just before his release. His face is slightly drawn.

But the grin, the quick retort, the casual sense of the absurd, the reverence for truth are still there. He has not been broken, and he has not been embittered. Mr. Shcharansky has remained whole.

He and his wife, Avital, spent Saturday, the Jewish Sabbath, resting and seeing a few friends. He sat on a couch in her apartment and spoke in English with a correspondent he had known in Moscow.

He reflected on the possibility that the hardship had worked some inner changes.

"Before I was more quickly expressing everything which I thought," he said. "Now there is some pause. The practice of resistance to the constant 24-hour pressure makes me react more slowly."

Mr. Shcharansky said he now thinks more rationally and less emotionally because he had to construct "a tree of principles" to maintain his balance while under confinement.

He described sparring with KGB interrogators who accused him of treason, espionage and anti-Soviet agitation in his efforts on behalf of the Jewish emigration movement.

"My task was to destroy all this fabrication," he said. "Then I decided, no, I cannot do it. Then I decided not to help them, to look for any opportunity to unmask the fabrication.

"Then there were sub-aims: not to give any information concerning any other person, except me. Not to help them understand the functions of different dissidents to prepare this or other documents, and not to let them consider our work secret."

■ **Fears for Other Captives**

The Shcharanskys said Sunday that they feared that prisoners in Soviet camps might be treated more severely in retaliation for his release, United Press International reported from Washington.

Speaking from Tel Aviv on the U.S. television program "Meet the Press," Mr. Shcharansky said that each time a dissident is released from the Soviet Union, new oppression is used against citizens who have been denied permission to emigrate, especially those in prison camps.

Soviet Cruise Ship Sinks Off New Zealand

The Associated Press

WELLINGTON, New Zealand — A Soviet cruise ship carrying about 700 passengers and crew members struck rocks and sank in heavy seas off the New Zealand coast Sunday.

Police and rescue officials said that about three-and-a-half hours after the Mikhail Lermontov sank, at least 37 persons still were unaccounted for, according to the New Zealand Press Association.

The news agency said officials believed that all aboard had been rescued, including those missing. They said the 37 probably had not been counted in the confusion of the rescue, which was hampered by darkness and a driving rain.

An air force reconnaissance plane was to fly over the site to search for signs of survivors still in lifeboats.

The 20,000-ton cruise ship was heading out to sea from South Island's Marlborough Sounds area when it struck rocks, knocking a hole in the hull and disabling the engines, according to the New Zealand Search and Rescue Service.

The service said the accident occurred at Cape Jackson, a few miles north of the South Island port of Picton. The liner, with a 12-degree list, then drifted into harbor at Port Gore, where the captain tried to beach it.

However, rescue officials said the ship drifted back off shore and sank in about 90 feet (27 meters) of water.

The search coordinator, Barry James, said the ship had about 400 passengers, mostly Australians and New Zealanders, and about 300 Soviet crew members.

The Marlborough Sounds is a series of picturesque inlets near the entrance to the Cook Strait.

Sakharov Describes Soviet Effort To End Fast

By Joseph Lelyveld
New York Times Service

LONDON — Details of methods used by the Soviet authorities to break a 1984 hunger strike by Andrei D. Sakharov emerged here Saturday in a letter said to have been written by the dissident Soviet physicist from Gorky, the industrial city to which he has been confined for six years.

In the letter, printed in The Observer, a Sunday newspaper, Mr. Sakharov describes how he was taken into custody while accompanying his wife to an interrogation at the prosecutor's office in Gorky on May 7, 1984. He said his abductors had said they were doctors but actually were agents of the KGB, the Soviet secret police and intelligence agency.

At the time of his abduction, the Nobel Peace Prize winner was in the fifth day of a hunger strike designed to press the authorities into granting a visa to his wife, Yelena G. Bonner, so she could go abroad for medical treatment. The trip finally was permitted last October, just before President Ronald Reagan's summit meeting with Mikhail S. Gorbachev, the Soviet leader, in Geneva.

Mr. Sakharov was taken to Semashko Hospital in Gorky, where he was detained under guard, the letter says, and kept from his wife for four months. On May 11, his fifth day in the hospital and the 10th day of his fast, he was bound to his bed and connected to an intravenous feeder.

Intravenous feeding was continued until May 16, when he was forcibly fed through a tube in the nose, a method the letter describes as "bearable, if painful."

On May 25, "the most excruciating, degrading and barbarous method" was begun and lasted for three days. Again, Mr. Sakharov was bound. This time, breathing through the nose was prevented by a clamp. When he opened his mouth, a meat broth was spooned in. Sometimes his jaws were pried open. His jaws were held shut until he had swallowed.

Rights to publish the letter and other handwritten letters, documents and photographs were purchased by The Observer from Mr. Sakharov's family in the United States for a price reported to have been $42,600, plus a share of world rights. The materials' authenticity was confirmed by Efrem Yankelevich, Mrs. Bonner's son-in-law.

The long letter in The Observer was addressed to Dr. Anatoli P. Alexandrov, president of the Soviet Academy of Sciences, of which Mr. Sakharov is still a member.

The letter explains that Mr. Sakharov agreed to swallow voluntarily on May 27, the third day after the clamp was placed on his nose, in exchange for the removal of the clamp so that he could breathe normally.

It describes his feelings of guilt about the condition of his wife, whose letters were mostly intercepted by the authorities. His doctors sought to convince him, it goes on, that another fast would induce Parkinson's disease and reduce him to helplessness. On Sept. 7, four months after his abduction, Mr. Sakharov finally began another hunger strike.

This time, instead of forcibly feeding him, the authorities indicated that he would be reunited with his wife if he broke his fast. He was discharged from the hospital, the letter said, on Sept. 8.

■ **Visa Reportedly Extended**

The Soviet Union has granted Mrs. Bonner permission to remain in the West for an additional three months, a Soviet source said in Moscow, The Washington Post reported Sunday from Moscow.

She is recuperating after heart surgery last month in a Boston hospital, and is staying with relatives in Massachusetts.

WORLD BRIEFS

Gulf Battle Troubles Kuwait, Saudis

MANAMA, Bahrain (Reuters) — The foreign ministers of Saudi Arabia and Kuwait arrived in Damascus on Sunday seeking the help of Syria to halt Iran's latest offensive in the Gulf war.

As Iran reported its troops advancing deeper into southern Iraq, Sheikh Sabah al-Ahmad al-Sabah of Kuwait said his country was increasingly tense because of the war zone's close proximity to its border. "We have to be tense; we have to put out a red light," he said as he arrived with Prince Saud al-Faisal of Saudi Arabia.

The two ministers made the trip on behalf of a seven-member committee of the Arab League, which was formed last year to attempt to end the war between Iran and Iraq. Prince Saud, asked if he believed Syria might temper its support for Iran, said: "Had we not hoped for success, we would not have attempted this venture."

Seoul Frees 4 of 5 From House Arrest

SEOUL (NYT) — The South Korean government released Saturday four of five opposition leaders under house arrest, but Kim Dae Jung, the most prominent critic of the government, remained under confinement and faced possible imprisonment.

The releases came a day after the United States criticized the government crackdown staged last week as "inconsistent with basic democratic principles."

In an interview published Saturday, Kim Suk Hwi, the justice minister, said Mr. Kim, who is under a suspended jail sentence, could be sent back to prison if the government found he had broken the law by signing a petition to revise the nation's constitution and permit direct presidential elections by 1988. The petition drive was started Wednesday by opposition leaders.

Violence Erupts at Murdoch Plant

LONDON (Reuters) — Riot police have arrested more than 60 people in the worst night of violence in the dispute between Britain's print unions and Rupert Murdoch over the use of new technology.

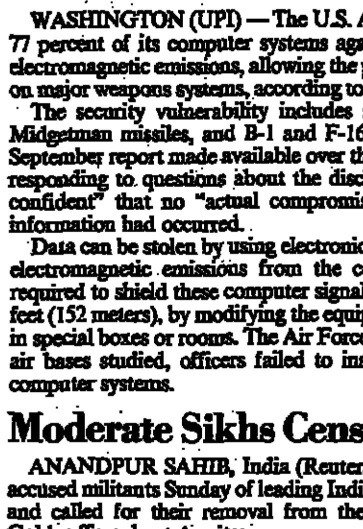
Police clashed with the protesters Saturday night when an estimated 5,000 printworkers and their supporters tried to block distribution of newspapers from Mr. Murdoch's new computerized plant at Wapping, east London.

Protesters hurled bricks, darts and bottles at policemen protecting trucks leaving the plant with copies of The Sunday Times and News of the World. Eight policemen were wounded.

Hodel Says He Acted Alone on Iacocca

WASHINGTON (WP) — Interior Secretary Donald P. Hodel said he deliberately skirted the White House in deciding to dismiss Lee Iacocca as head of an advisory commission on the Statue of Liberty.

He said Friday that he acted on his own partly out of concern that the Reagan administration's political advisers would reject a decision that he viewed as correct. "Had I started shopping the decision around," he said Friday, "the political counselors would have said, 'You don't dare to do that to this man.' If I had checked, they would have said, 'There's all sorts of potential flak and fallout here.' "



AP

Donald P. Hodel

But he acknowledged that he was somewhat stunned by the intensity of the reaction to the Chrysler Corp. chairman's dismissal, which has drawn heated denunciations from Democrats and produced some dismay in the White House personnel office. In dismissing Mr. Iacocca, Mr. Hodel said his presence on the advisory board presented a potential conflict of interest.

U.S. Air Force Data Found Vulnerable

WASHINGTON (UPI) — The U.S. Air Force has failed to safeguard 77 percent of its computer systems against interception of short-range electromagnetic emissions, allowing the possible breach of classified data on major weapons systems, according to Pentagon auditors and officials.

The security vulnerability includes sensitive data on the MX and Midgetman missiles, and B-1 and F-16 aircraft, the auditors said in a September report made available over the weekend. An air force official, responding to questions about the disclosure, said he was "95-percent confident" that no "actual compromises" of classified computerized information had occurred.

Data can be stolen by using electronic devices to intercept and decode electromagnetic emissions from the computer. Defense agencies are required to shield these computer signals, which can travel as far as 500 feet (152 meters), by modifying the equipment or enclosing the machines in special boxes or rooms. The Air Force Audit Agency said that at eight air bases studied, officers failed to inspect safeguards on 165 of 214 computer systems.

Moderate Sikhs Censure Militants

ANANDPUR SAHIB, India (Reuters) — A rally of moderate Sikhs accused militants Sunday of leading India's Punjab state toward civil war and called for their removal from their religion's holiest shrine, the Golden Temple at Amritsar.

About 60,000 Sikhs, far fewer than expected, attended the rally in Anandpur Sahib to condemn the occupation of the temple complex by student-led militants on Jan. 26. The occupation has threatened political stability in the Sikh-majority state.

At the same time at a rival meeting 100 miles (162 kilometers) away in Amritsar, the militants vowed to defend the Golden Temple.

For the Record

South Africa's official parliamentary opposition party, the Progressive Federal Party, has named Colin W. Eglin as its leader to replace Frederik van Zyl Slabbert, who resigned to protest lack of reforms. *(Reuters)*

Clashes on Sunday between Hindus and Moslems in India's Madhya Pradesh state left two persons dead and 230 injured, the Press Trust of India reported. *(Reuters)*

Stefan Hank, the trainer of the Romanian national fencing team, has sought asylum in West Berlin, where the team is taking part in a tournament, the police said. *(Reuters)*

President Hosni Mubarak of Egypt and Yasser Arafat, chairman of the Palestine Liberation Organization, met for a second round of talks on Sunday on ways to break the stalemate in Middle East peace efforts. *(AP)*

Soviet Tried to Buy 3 U.S. Banks, Officials Say

(Continued from Page 1)

mino California Bank in San Francisco.

Peninsula National had made numerous loans to high-technology companies and, along with the other banks, counted employees and executives of high-technology companies among its clients.

"I always viewed it as a deliberate penetration by the KGB of the American banking system," said Bartholomew Lee, a San Francisco lawyer involved in a civil case resulting from the effort.

M. Melnikuv, deputy trade representative at the Soviet Embassy in Washington, said he was not familiar with the takeover attempt.

Officials of the Moscow Narodny Bank, which financed the attempt to buy interests in the banks, have insisted that its loans were strictly business transactions.

To some U.S. officials, the Soviet scheme underscored one of the problems in a society that welcomes foreign investment, in which the highest bidder can acquire institutions that have access to sensitive information.

They said the incident also highlighted the difficulty of learning the true principals in some financial transactions and of tracking money whose source has been under layers of transactions.

Amos Dawe, a Singapore businessman who served as the Russians' major intermediary in the bank transaction, told U.S. officials that the Soviet Union had succeeded in carrying out similar acquisitions in other parts of the country, but he declined to specify where or when, his lawyers said.

According to court records, the Moscow Narodny Bank's Singapore branch used Mr. Dawe to try to acquire the three California banks and used another intermediary, Y.T. Chou, a business associate of Mr. Dawe's, to try to acquire a half interest in the Camino California Bank in San Francisco.

The plan was aborted by U.S. intelligence officials.

Mr. Dawe has acknowledged through his lawyers his role as an intermediary. Efforts to reach Mr. Chou, who is believed to be living in Southeast Asia, were unsuccessful.

Cliff Palefsky, one of Mr. Dawe's San Francisco attorneys said:

"There's no question that he was reporting to the Russians. It was Mr. Dawe's belief that the Soviets were interested in gaining some access to computer technology."

Mr. Dawe, now 51, was the principal owner of the Mosbert Group, a holding company with interests in hotels, real estate, plantations, finance companies and other properties. The Mosbert Group controlled about 200 companies with $160 million in assets in Southeast Asia.

According to papers filed in Federal District Court in San Francisco, Mr. Dawe obtained a $50-million line of credit in late 1974 from the Moscow Narodny Bank's Singapore branch for the purpose of purchasing several banks in northern California.

Mr. Dawe negotiated the sale of the Fresno, Tahoe and Burlingame banks, which were owned by the Central Bank of California.

"We had no reason to suspect that he was not the principal," said Robert L. Haggen, the bank's vice president and counsel.

Court records show that Mr. Dawe purchased the Burlingame bank in December 1974 for $3.05 million. He placed $300,050 in an escrow account and financed the remainder through a letter of credit issued by the Commerce Union Bank of Nashville.

Mr. Dawe purchased the Fresno and Tahoe banks in June 1975, for $7.9 million. He placed $808,300 in escrow and paid an installment of $685,266 in October 1975. He also put the stock in the Fresno and Tahoe banks up as collateral.

U.S. officials said that an American intelligence officer with a banking background based in Singapore learned of the transactions.

American intelligence officers then disclosed the purchases t[illegible] Raymond Sacklyn, publisher of [illegible] Hong Kong financial newslett[illegible] Target, according to U.S. officia[illegible]

The bank deal collapsed u[illegible] publication of the article.

Mr. Haggen said Central Ba[illegible] of California foreclosed on its c[illegible]lateral and acquired the stock [illegible] the three banks.

In July 1977, Mr. Dawe was [illegible]dicted by a U.S. grand jury in [illegible] Francisco on charges of impr[illegible] transfer of funds in connec[illegible] with his purchase of the t[illegible] banks as well as the use of colla[illegible]al that was previously pledged [illegible] other creditors.

A tangle of lawsuits ensued [illegible] the Soviet bank tried to get bac[illegible] money from Mr. Dawe after [illegible] bank purchases were scuttled.

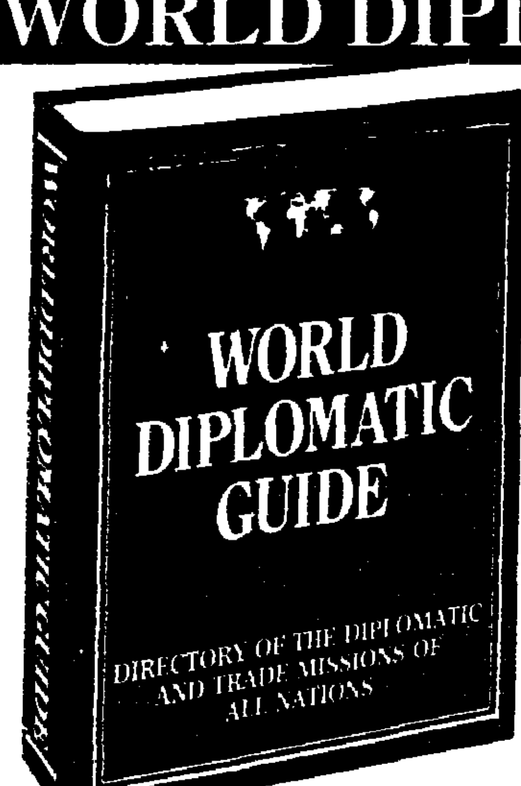
Mr. Dawe was indicted in [illegible] Kong on fraud charges. H[illegible] turned to San Francisco from [illegible]wan to face the U.S. charges.

"Amos came to the U[illegible] States voluntarily, with c[illegible] promises by the government [illegible] Ephraim Margolin, another [illegible] attorneys. "They promised [illegible] he stood trial, he would be p[illegible]ed and not extradited. The[illegible]ises were not kept."

The U.S. charges were dis[illegible] in February 1979, at the re[illegible] the Justice Department, a[illegible] Dawe was subsequently ex[illegible] to Hong Kong.

In Hong Kong, he was u[illegible] convicted of fraud in co[illegible] with the bank transactions[illegible]

WORLD DIPLOMATIC GUIDE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Decision to Launch Challenger Possibly 'Flawed,' Report Says

By Kevin Klose and Michael Specter
Washington Post Service

WASHINGTON — The presidential commission investigating the Challenger explosion has concluded that the crucial decision to launch the shuttle on Jan. 28 "may have been flawed," the commission's chairman, William P. Rogers, has announced.

As a result, Mr. Rogers said Saturday, the commission has requested that the National Aeronautics and Space Administration bar any of the officials who participated in the launch decision from taking part in the internal investigation under way into the explosion, which killed seven crew members.

Mr. Rogers said that President Ronald Reagan has been advised of the commission's finding and the request, made to NASA's acting administrator, William P. Graham.

Mr. Rogers, a former U.S. secretary of state, was not available for comment on his statement, released through a spokesman. But a source familiar with the investigation said the commissioners "have concerns about whether reservations on the part of those determining flight-readiness were given appropriate attention" at the highest levels of NASA.

The source said that the commissioners are focusing on whether senior space agency officials gave enough consideration to misgivings by lower-level officials about the effect of the unusually cold weather on Challenger, and to earlier NASA worries over seals in the solid rocket boosters. A leading theory is that a seal on the right booster failed.

■ **Computer Tapes Yield Clues**

Earlier, David E. Sanger of The New York Times reported from New York:

Computer and photographic data made public over the weekend have cleared up one of the mysteries of the shuttle explosion: Why there was apparently no warning before the mission's fiery end.

In fact, the information shows, there were many signs, but no one to receive or interpret them.

Design decisions made years before Challenger's launching, and limitations on the technology that guides and monitors the shuttles, kept ground controllers in the dark, experts say, while a fatal sequence of events unfolded that eventually destroyed the spacecraft.

Still unclear is whether anything could have been done, according to specialists familiar with the shuttle.

The data and photographs newly disclosed by NASA show that as little as a half-second after ignition, Challenger's flight began to go awry. Pictures released Thursday show a black cloud seeming to come from the right booster rocket during liftoff.

Further computer data provided Friday show trouble spots arising and disappearing over the next 60 seconds, until a series of small, atypical events, which the four on-board computers sought to deal with, culminated in the explosion.

But the computers' battle was not evident in the data displayed at the time for the crew, ground controllers in Florida, or Mission Control in Houston. They had access to less than 10 percent of all the information collected in the launch, and that data either did not show or actually masked evidence of the cascading sequence of events.

Designers of the shuttle's computer systems were fearful that too much data would swamp ground controllers, making it impossible for them to make sense of any of it.

Evidence about the explosion's causes, it is now clear, lies buried in computer tapes and pictures only reviewed after the disaster.

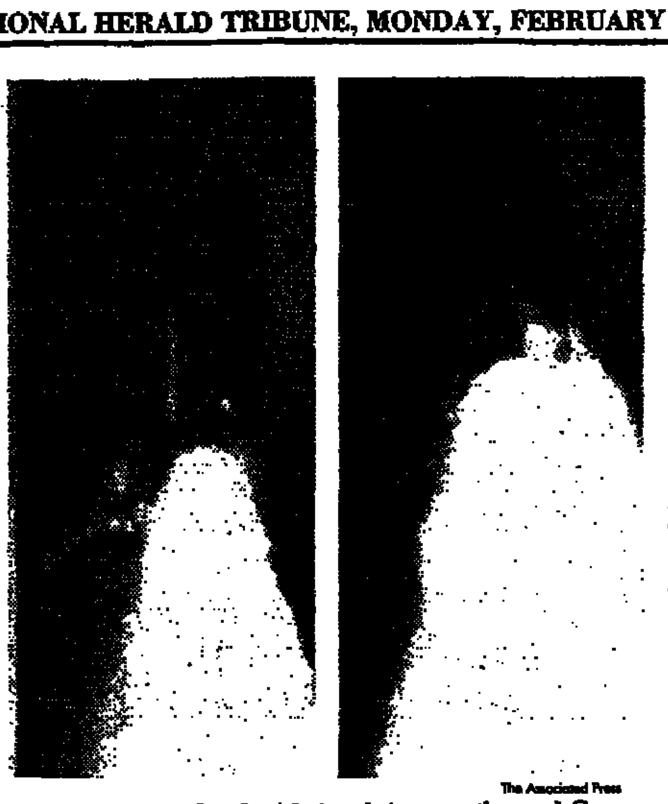
Reviewing the sequence of events detailed by NASA, David K. Gifford, an assistant professor of computer science and engineering at the Massachusetts Institute of Technology, said on Saturday: "I would seriously consider monitoring as much data as I could in real time," or instantaneously.

But Mr. Gifford, who was co-author two years ago of a study of the shuttle's computer system, cautioned that merely having the data available might not be enough.

"Things are happening so fast at that point," he said, "that even if you know the right thing to do you probably don't have time to do it."

Still, some experts, including some NASA engineers, speculate that a different design and a far more sophisticated early-warning system might seem imperative after the shuttle investigation is over.

Even before Challenger's last mission, experts had observed that the computer systems monitoring the shuttles are hardly state-of-the art. Critical guidance functions are carried out by four on-board IBM avionics computers that were designed in the early 1970s.



The Associated Press

Photos released by the National Aeronautics and Space Administration show a bright plume of flame shooting from the shuttle's right rocket booster during liftoff, at left. At right, the plume has grown toward the external fuel tank.

Link Found in Tainted Tylenol

Same Distribution Center Handled Bottles 2 Weeks Apart

By Robert D. McFadden
New York Times Service

NEW YORK — Investigators tracing the routes of two bottles of Extra-Strength Tylenol containing cyanide-laced capsules have found that both were handled at the same distribution facility in Pennsylvania two weeks apart last summer.

Federal officials and the manufacturer said Saturday that the chance that the tainting occurred at the distribution facility was remote, but the finding prompted investigators to examine that possibility as part of their sweeping inquiry.

In other developments:

- The commissioner of the U.S. Food and Drug Administration said Saturday that potassium cyanide could have been placed in the capsules months ago. The disclosure greatly expanded the time frame for the tainting of the best-selling pain reliever in the United States.

Health officials in Westchester County, north of New York City, had said the capsules probably were tampered with eight to 10 days before the fatal poisoning of Diane Elsroth on Feb. 8.

- A spokesman for Johnson & Johnson, Tylenol's manufacturer, said that the company was reviewing the files of about 30,000 employees in the United States.
- A spokesman for the Federal Bureau of Investigation said there were no suspects, and that agents across the nation were working on the case. The drug agency, however, said it still appeared that the tampering was a local matter.
- Westchester County's district attorney, who is investigating the fatal poisoning of Miss Elsroth, 23, said that, after extensive tests, FBI officials believe the seals on both tainted bottles remained intact after they were manufactured.

The district attorney, Carl A. Vergari, said he was thus inclined to believe that the tainting occurred "at the plant" and was not the work of someone who put cyanide in the capsules and then placed them on the shelves of two retail outlets in Bronxville, New York.

However, officials of the FDA and of the manufacturer, McNeil Consumer Products Co., a subsidiary of Johnson & Johnson, said that the weight of evidence suggested that the crime was a local one.

Over the weekend, FDA laboratory technicians continued testing tens of thousands of capsules. City, state and federal inspectors continued scouring stores and warehouses across the New York City area to remove samples for testing.

A spokesman for Johnson & Johnson said that the two bottles, one manufactured in Pennsylvania and the other in Puerto Rico, were shipped from a McNeil distribution center in Montgomeryville, Pennsylvania, near Philadelphia, two weeks apart last summer.

One bottle eventually wound up on the shelves of a Bronxville A&P supermarket, where it was sold to the family of Michael Notarnicola, of Yonkers, whose friend, Miss Elsroth, died of the cyanide poisoning. It was believed to have contained five tainted capsules.

The second bottle, discovered with tainted capsules Thursday, was manufactured in Dorado, Puerto Rico, on July 17 and wound up on the shelves of a Bronxville Woolworth's department store a few blocks from the A&P where the first bottle was sold.

The spokesman said that the Montgomeryville center was one of three McNeil distribution points for Tylenol in the United States.

While the two tainted samples were handled at the same place only two weeks apart, the spokesman said the company considered it unlikely that the tainting had occurred there because each bottle usually had five seals.

John A. Norris, deputy commissioner of the FDA, said that he also doubted the adulteration had occurred at the distribution point because of the unlikelihood that the two bottles would have ended up in stores a few blocks apart.

Johnson & Johnson has suspended the sales and production of all forms of its Tylenol capsules and has asked U.S. retailers to stop selling them until further notice. Other forms of the product are not included. The company has also issued a $100,000 reward for information leading to the arrest and conviction of the killer.

The company said it had not issued a nationwide recall in part because it would "remind the terrorist he won." In 1982, following the deaths of seven people in the Chicago area who took cyanide-laced Tylenol, the company recalled 31 million capsules.

The Associated Press

James E. Burke, chairman of Johnson & Johnson, gesturing during a news conference at which he offered $100,000 for information leading to the arrest and conviction of anyone who tampered with bottles of Tylenol capsules.

AMERICAN TOPICS

An Illusory Rainbow For Palimony Gold

A decade ago a California court decision, Marvin vs. Marvin, gave the language a new word, palimony — meaning alimony for nonmarried pals — and a new legal doctrine that provided unmarried partners who lived together the legal leverage to share in property if they separated.

The original plaintiff, Michelle Triola Marvin, sued Lee Marvin, the actor, for half the $3.6 million he had made in the six years they had lived together. She was awarded $104,000, and lost even that on appeal.

A similar suit against Billie Jean King, the tennis star, was dropped, and one against Valentino Liberace, the pianist, was dismissed. Numbers are hard to come by, the Los Angeles Times reports, but relatively few palimony suits have been filed since.

Why? The number of cohabiting couples has leveled off at two million households. People aware of the Marvin case make oral or written agreements and divide their property if they break up instead of going to court. Palimony suits are expensive to litigate and difficult to win.

Even so, the ruling is on the books, and higher courts in 38 states now recognize some form of property rights for unmarried people.

Short Takes

When aides of Donald T. Regan, the White House chief of staff, became concerned that President Ronald Reagan's speeches were too ideological, they urged a more pragmatic approach on his speech writers. The pragmatists won the first round in Mr. Reagan's campaign last year to promote tax reform. Said one speech writer: "They flattened and deadened the president's rhetoric. They deleted every applause line, every joke and every Reaganism." Whatever the cause, Mr. Reagan's speeches won relatively little attention, and now the pendulum has swung at least part way back to the ideologues, as evidenced by the State of the Union message. The New York Times reports, "An uneasy truce now exists."

Gertrude Stein, the American expatriate writer who was raised in Oakland, California, has been on the enemies list of her hometown's Chamber of Commerce ever since she returned to the city on a visit in 1934 and wrote, "There is no there there." However, a mock tribunal in neighboring San Francisco, the Court of Historical Review, has decided that Miss Stein, returning after a 30-year absence, her childhood home long since torn down, was simply "expressing dismay that she was unable to recapture her memories." The ruling came too late for Robert Begley, who testified that he was told to stay after school for misbehaving and to "be there at 4 P.M." He replied, "But there's no there there," and received two extra hours of penalty time.

Acme

Gertrude Stein

The police in East St. Louis, Illinois, said they planned no action against Tony Butler, 29, a 400-pound (180-kilogram) tavern employee. When a rowdy customer stabbed two persons, Mr. Butler sat on him until the police arrived, by which time the man had suffocated.

Notes About People

The families concerned are affiliated with opposing political parties, but Senator **Paul Laxalt**, a Nevada Republican, likes to tell how the car of his wife, Carol, was stuck in the Washington snow earlier this winter and a young man came to her rescue. He identified himself afterward as **Douglas Kennedy**, 18, son of Senator Robert F. Kennedy, the New York Democrat who was assassinated in 1968.

Penny Harrington says that a year after taking over as the first woman chief of a big-city police department, in Portland, Oregon, "I wouldn't change any decisions I've made." Mayor Bud Clark describes her performance as "wonderful," but Stan Peters, head of the policemen's union, calls it "lousy," and says most policemen agree. Mrs. Harrington, 44, says of her police critics, "They hated the chief before me, and they hated the chief before him."

Senator **William Proxmire**, the Wisconsin Democrat who regularly singles out examples of government waste for his "Golden Fleece" awards, discovered that David Coman of the Securities and Exchange Commission, unable to find a round meeting table for the office for less than $3,000, got his employees together and built one during lunch hours and after work for a total expenditure of $297. Mr. Proxmire said that Mr. Coman and company "are living proof that it is a myth to claim that government bureaucrats will always spend more, not less, when given the chance," and dubbed them the "Knights of the Round Table."

— *Compiled by* ARTHUR HIGBEE

Some MIAs May Be Alive in Vietnam, Hanoi Says

The Associated Press

BANGKOK — U.S. congressmen just back from Hanoi say that Vietnamese officials have acknowledged for the first time that missing Americans might still be living inside Vietnam, in remote areas not under full government control.

They said that Hoang Bich Son, deputy foreign minister, told them that three Vietnamese teams were investigating reported sightings of Americans and invited the United States to take part.

The congressmen, who spent two days in the Vietnamese capital, said Saturday that Vietnamese officials also promised to return the remains of 14 more Americans missing in action, and increased to 70 the number of MIA cases on which they promised reports.

"For the first time, the Vietnamese government is investigating a large number of live sightings," said Representative Gerald B. Solomon, a Republican of New York, who led the nine-member House of Representatives task force on missing Americans.

"For years, Vietnam maintained that no live Americans were in Vietnam," he said. "They later changed that to say there were no live Americans under their control. But now they have moved to the position where they say that there could be live Americans that they are unaware of."

Mr. Solomon said Mr. Son stressed that Vietnam was not holding any Americans against their will.

Representative Benjamin A. Gilman, another New York Republican, said the Vietnamese indicated there could be Americans living in the mountains or other remote areas not under full government control.

"They have invited the U.S. government as well to participate in any of these investigations," Mr. Solomon said, "and I think that is most significant."

A total of 2,441 Americans are listed as missing in action from the Indochina conflict, including 1,797 in Vietnam and the rest in Laos and Cambodia.

Since the United States withdrew its forces from Indochina in 1973, there have been 806 reported "live sightings" of Americans in the region, most by refugees, according to U.S. government records. U.S. officials said they have discounted all but 95 reports.

Mr. Gilman said that Vietnamese officials "mentioned that there is a possibility there may be some of our Americans there on their own will and they have taken the position that if the Americans wanted to stay, they would let them stay; if they wanted to go, they would let them go."

Vietnam said early in January that it had collected about 50 new reports of cases involving missing Americans and would turn them over soon. The congressmen said that Hanoi now has promised to hand over information on 20 additional cases, for a total of about 70.

Meanwhile, Representative Robert K. Dornan, a Republican of California, announced that the remains of eight servicemen recently returned by the Vietnamese had been identified by the Joint Casualty Resolution Center in Hawaii.

American Is Shot to Death in San Salvador

By Robert J. McCartney
Washington Post Service

SAN SALVADOR — An American who apparently worked in El Salvador trying to sell patrol boats to the Salvadoran Navy has been shot to death here. The gunmen escaped.

The American, Peter Hascall, 35, was killed Saturday.

The prime suspects are two men who left his apartment with him at 2:45 A.M., about five minutes before he was killed in a nearby street by a single bullet in the chest, according to the Salvadoran judge handling the case.

Mr. Hascall was carrying two pistols at the time he was killed, according to Judge Rosario Gochez.

Margarita Galeas, who lived with Mr. Hascall, said he usually carried the weapons. She said she believed he carried them because he often traveled to the eastern port of La Unión, a navy base that has been attacked by leftist guerrillas.

At La Unión he often spent time with U.S. military advisers stationed there, she said.

A guerrilla radio station reported Saturday that Mr. Hascall was a U.S. adviser, but the U.S. Embassy denied this.

Radio Farabundo Marti did not discuss who had carried out the killing, and there was no immediate indication from either the judge or the Salvadoran police that the guerrillas were suspects.

The embassy said Mr. Hascall did not work for it. A U.S. official added that Mr. Hascall "was not a loose-cover spook," which is slang for a Central Intelligence Agency agent working with diplomatic cover.

Miss Galeas and the embassy said Mr. Hascall worked for Swiftships Inc., a shipbuilding company based in Morgan City, Louisiana.

Weight Estimate Questioned In Crash of U.S. Charter Jet

By Penny Pagano
Los Angeles Times Service

WASHINGTON — Federal investigators have disclosed that an Arrow Air military charter plane that crashed on takeoff Dec. 12 in Newfoundland was carrying at least 12,000 pounds (5,500 kilograms) more than the cockpit crew had calculated.

"We are not saying this caused the accident," said Brad Dunbar, a spokesman for the National Transportation Safety Board.

However, airplane safety experts said that weight always was an important consideration in preparing a plane for takeoff.

The safety board recommended to the Federal Aviation Administration that airlines be required to pay increased attention to gauging the actual weight of passengers and their carry-on baggage. The FAA said that it "expects to promptly implement the practices recommended by the board."

At present, pilots estimate a load by assuming an average weight of 170 pounds per passenger. In the case of the Arrow crash, which killed 248 soldiers and a crew of eight, investigators said they believe that the passengers and their luggage weighed at least 220 pounds each. The soldiers were carrying their uniforms, helmets and guns.

Sources said that the extra passenger weight may have been offset by the fact that the plane was carrying less fuel when it took off from Gander, Newfoundland, than it needed when it took off before its flight across the Atlantic.

Canadian and U.S. investigators also are exploring other potential causes of the crash, such as ice on the plane's wings. Light rain and snow were falling at the time of the accident.

The Arrow Air DC-8 charter was transporting members of the U.S. peacekeeping force in the Sinai Peninsula from Egypt to Fort Campbell, Kentucky.

The National Transportation Safety Board was asked to make the recommendation to the FAA by the Canadian Aviation Safety Board, which is overseeing the accident investigation. The Canadian board made the same recommendation to the Canadian authorities earlier this week.

Arrow, based in Miami, filed for reorganization under U.S. bankruptcy laws on Tuesday.

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New Test in the Philippines

Mr. Reagan's assertion that fraud and violence "perpetrated largely by the ruling party" call into question the credibility of the Philippine elections will help to clear the air — air that had been made unclear by his own earlier statements. He may have checked the damaging perception that, notwithstanding the cheating, President Ferdinand Marcos was still qualified for leadership in American eyes. But the crisis in the Philippines is still deepening. Saturday, President Marcos had the National Assembly, which he controls, proclaim him the official winner. It was a shameless act.

But Corazon Aquino does not accept it. She refuses to accept a Marcos steal. She does not have the official levers available to a sitting president, but she has a hold on the loyalties of the vast number of Filipinos who voted for her. Her strategy amounts to the continuation of elections by the means of civil protest — mobilizing the people first by "prayer rallies" and later perhaps by strikes, starting in one or a few places and expanding the locales, attempting by degrees to bring the government and the economy to a halt.

There is risk in this strategy. Street demonstrations could produce violence or invite the provocative attentions of the hard left and thus provide the government with a pretext for violence or for proclaiming anew martial law, a development that would have its own provocative and sinister effects. No one who knows Ferdinand Marcos will underestimate the tenacity with which he holds on to power.

Mrs. Aquino has a commitment to nonviolence and speaks for a broad democratic movement that has reacted with remarkable calmness and order to the government's election dirty tricks. But in an atmosphere of spreading public protests, she could hardly guarantee that the country's Communist guerrillas would not try to make big trouble. This unpresumptuous novice has startled many observers with her political skills; her leadership may now be tested as never before.

A great many people in the Philippines feel they were robbed in the elections — robbed with the evident consent, initially at least, of the country they had been led to believe was the patron of their democratic heritage. The result is to put an even heavier burden on the mission of Philip Habib, President Reagan's emissary, to do what the United States can to bring about a political result in the Philippines that is consistent with the people's will.

— *THE WASHINGTON POST.*

A Ninth Life for Contadora?

Though often pronounced dead, the Contadora peace plan for Central America refuses to die. It was recalled to life again last week and resubmitted to a less than exhilarated Secretary of State George Shultz by eight Latin American foreign ministers. They appealed for direct negotiations with Nicaragua and an end of American aid for the "contra" army of exiles. To the same end, Guatemala's new civilian president wants to meet with other Central American leaders next month.

What is refusing to die is the Latin belief that a leftist Nicaragua boxed in by treaty would be less of a threat to the Western Hemisphere than a U.S.-sponsored war of attrition. The conviction is shared by a formidable group of friendly governments: Brazil, Argentina, Peru, Uruguay, Mexico, Venezuela, Colombia and Panama. They fear the stress on their own societies if they had to choose between U.S. friendship and a sovereign, albeit Marxist Latin cousin under Yankee attack.

To all such arguments, the State Department has a boilerplate reply: The Sandinists are incorrigible totalitarians, yet military pressure that is itself insufficient to oust them will compel them to agree to terms that would topple their government. That is why Elliott Abrams, the department's chief for hemisphere affairs, thinks negotiations with Managua are premature. "Contadora's document of objectives includes pluralism, democracy, reconciliation," he observes. "How do you get the Sandinist Communists to agree to that? The answer seems to me clear, and it is pressure."

Yet as long as the only agreement Mr. Abrams would accept requires the Sandinists' political surrender, the exile war becomes an end in itself. It has caused economic havoc in Nicaragua but failed, in five years, to win control of a single town.

After a strenuous scare campaign, abetted by Nicaragua's open bid for more Soviet aid, the Reagan administration last year wrested $29 million more in "humanitarian" aid to the rebels from Congress. Now it wants $100 million, including arms. Before it votes even a dollar more, Congress would be wise to solicit the detailed views of the newly elected civilian presidents of Guatemala, Costa Rica and Honduras — the latter being the unwilling host of the hit-and-run insurgents. Together with El Salvador, these are the countries whose security is most directly at risk from Nicaragua's aggressions or Communist successes. Do they see value in this pressure? And what diplomatic goal should it serve?

The Contadora plan is by no means risk-free. It envisions the removal from Central America of all foreign bases and advisers, a regional scaling down of arms, verifiable guarantees for frontiers, and incentives to encourage political pluralism and respect for human rights. The Latin origin of this plan is its greatest merit. Perhaps it could be improved by Yankee skepticism about its frail security provisions. But it deserves another life because it remains the only plausible alternative to a brutal, illegal and unwinnable war.

— *THE NEW YORK TIMES.*

Other Opinion

Philippines: A Bad Aftertaste

The Philippines' presidential election is over, leaving an extremely disagreeable aftertaste. As suggested by President Reagan, we have no feasible alternative to accepting, at least for the moment, the Marcos victory.

Whether or not the Philippines can settle the confusion hinges on how far the Marcos regime now goes with the pressing task of democratic reform. What is needed is for the opposition parties to stay cool and to stay united. They should develop a party healthy enough to lead the country someday, in a nonviolent and democratic manner.

— *The Daily Yomiuri (Tokyo).*

The longer President Marcos clings to power, the likelier he is to bring on the deluge. In the Philippines that means not only violent unrest, continued economic decline and renewed repression. At the end of the day it could lead to the storming of Malacanang presidential palace, the closing of America's two biggest bases in Asia and a Communist takeover of this archipelagic aircraft carrier.

Any course of action toward the Philippines in the coming year will be riddled with risk. Corazon Aquino is naive and vulnerable to manipulation. But a policy of sticking with a discredited and ailing Marcos is the bigger risk. This is why it is imperative for Filipinos and their American allies to devise ways of levering him out of his stolen presidency.

Just as essential will be for the Americans to retain the trust of [Mr. Marcos's] democratic opposition. The danger is that angry and frustrated Aquino supporters will not only resort to violence but will embrace the Communists in an anti-Marcos crusade that turns anti-American as well.

— *The Economist (London).*

A New NATO Arms Alarm

The Western alliance is clearly caught up in another tangle over its nuclear policy, and once again the nimble-footed Mikhail Gorbachev has stepped forward to try to make NATO's confusion worse. The new alarm was sounded for America's European allies last week by President Ronald Reagan's statement that an "agreement" on medium-range missiles might be reached with the Soviet Union by the end of the year.

The [West European] countries that either have installed or are expected to install these missiles after considerable struggles with public opinion, were taken aback by the fact that President Reagan had given them no inkling as to how this forecast might be fulfilled. And Britain and France, which possess small nuclear arsenals of their own, were concerned by Soviet suggestions that their entire nuclear forces might be frozen at present levels as part of the price of an overall agreement.

President Reagan's yearning to leave office and enter history as the great peacemaker, a label he can only achieve by successful summitry, is at the root of the Western predicament. An old man in a hurry to achieve immortality within the next two years is a vulnerable interlocutor for the Western case.

— *The Sunday Telegraph (London).*

FROM OUR FEB. 17 PAGES, 75 AND 50 YEARS AGO

1911: Anti-Militarist Plot in Spain

MADRID — The military authorities and the police are very reserved about the criminal proceedings instituted against several members of the Casa del Pueblo, a club in which the Socialist party has its headquarters. The three men already in prison — Victoriano Ruperto Gomez, Enrique Muriel Campos and Roberto Cermeno Corvera — and several others who, it is said, are about to be arrested, are charged with conspiracy to start a popular revolt against obligatory military service. This outbreak had been planned to take place during the first day of the drawing of lots in Madrid among young men apt for service in 1911. It is alleged that the prisoners, to provoke a popular insurrection, had had printed a fierce attack on militarism. It is stated that the conspiracy had been organized on a very large scale.

1936: Italians Take 2 Ethiopian Towns

ROME — The advance of Italian troops on the northern front continues. It became known here [on Feb. 16] that Marshal Badoglio's army, after a fierce battle lasting several days, took Shelicot and Amba Arabam. Two communiqués gave no figures of casualties, but from dispatches to the Italian papers it is reported that the Abyssinian losses are some 20,000 men, while the Italians counted a thousand killed and wounded. Marshal Badoglio's second communiqué says: "The battle of Amba Arabam began on February 11 and developed on February 15 into a bitter fight south of Makalle and ended in our victory. The First and Third Army Corps reached all objectives assigned, overcoming the tenacious resistance of Ras Mulugheta's troops." Ras Mulugheta's forces are estimated at 80,000 men.

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: 612718 (Herald). Cables Herald Paris. ISSN: 0294-8052.
Directeur de la publication: Walter N. Thayer.
Managing Dir. Asia: Malcolm Glenn, 24-34 Hennessy Rd., Hong Kong. Tel. 5-285618. Telex 61170.
Managing Dir. U.K.: Robin MacKichan, 63 Long Acre, London WC2. Tel. 836-4802. Telex 262009.
Gen. Mgr. W. Germany: W. Lauterbach, Friedrichstr. 15, 6000 Frankfurt/M. Tel. (069) 726755. Tlx. 416721.
S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337.
U.S. subscription: $322 yearly. Second-class postage paid at Long Island City, N.Y. 11101.
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THE WINNER
AUTH

Too Late to Prop Up This Dictator

By William Pfaff

PARIS — The problem of client dictators and what to do about them is recurrent and serious. It does no good to say that the United States should not have become involved with such men as Ferdinand Marcos in the Philippines or Jean-Claude Duvalier in Haiti. It *is* involved with them. Democrats and Republicans, liberals and conservatives, have collaborated and compromised with them — as with others, some worse than either Mr. Marcos or the young Mr. Duvalier.

The United States involves itself with such people because they seem to promise stability, whereas reformers demand changes with unforeseeable consequences. America becomes involved simply because they are there. The despots of the Third World are products of their own societies; it is evasion to claim that they are merely the nominees of foreign interests, although once they install themselves they can readily find support abroad. It was Franklin Roosevelt who said of Anastasio Somoza, first in the recent line of Nicaraguan dictators, that he was "an SOB, but he's our SOB."

It is the profound instinct of a conservative government to prefer what exists, however repellant, to the unknown. A despot in hand is safer than a problematical reformer. The United States, whether a Democrat or Republican is in the White House, is a conservative society with a conservative commitment to the status quo. It has an aversion to the unknown, and thus to the risks implied in the claim now made to the Philippine presidency by Corazon Aquino.

Yet, in the long run, dictatorial clients mean only trouble. Dealing with them is often defended on the grounds of political realism; but it is not realism to commit the United States repeatedly to governments that fail, and fail ignominiously, leaving chaos or revolution — as Mr. Duvalier has done, and as the shah of Iran and the Somozas did.

A realistic policy would minimize American commitments to such people, and reduce American reliance upon the political support they offer or the military bases they provide. It is exactly the opposite of what Washington now is doing both in the Philippines, where it proposes to increase the U.S. military investment, and in Central America. There, the United States is trying to draw Costa Rica into a closer engagement with the Nicaraguan "contras," while the intention of the U.S.-sponsored contras, of course, is to recreate an American client-state in Nicaragua.

In the Philippines, thanks in considerable measure to the Reagan administration's mistaken calculation that by "distancing" the United States from President Marcos he could be moved toward moderation, forces of reform have been set loose that have astonished the world. What happens now to this powerful grassroots movement demanding change? Washington would like to undo recent events. Corazon Aquino and Ferdinand Marcos should try to work together, Washington at first suggested — a preposterous proposition, and wholly irrelevant.

President Reagan added that there may have been electoral fraud "on both sides" (though he since has backed away from this). That statement was as flagrant an example as we are likely to have of what the conservative American intelligentsia likes to describe as false moral equivalency.

Washington now seems to think that the veteran politician Salvador H. Laurel, Mrs. Aquino's running mate, might profitably be named vice president with Mr. Marcos remaining president. Mr. Marcos's health might then urgently require his retirement from office. It may be too late even for that.

Real revolutions are born of hope, not despair. The American historian Crane Brinton wrote nearly 50 years ago of the English, American, French and Russian revolutions that "there is a time — the first few weeks or months — when it looks as if a determined use of force on the part of the government might prevent the mounting excitement from culminating in the overthrow of the government. These governments attempted such use of force in all four instances, and in all four their attempt was a failure. The failure indeed proved a turning point." It is the turning point we may be nearing in the Philippines.

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As Oil Prices Fall, Beware Complacency

By Robert J. Lieber

NEW YORK — To most who remember the twin oil shocks of the 1970s, the plunge in oil prices comes as welcome relief (or even sweet revenge). The immediate consequences are beneficial: improved economic growth, reduced inflationary pressures and lower balance of payments deficits. But we should be wary of complacency.

Despite today's oil glut, the economics and politics of energy are no more predictable over the long run than in 1973-74 and 1979-80, when specialists projected enduring scarcity and relentless price increases.

The United States, in any case, is less vulnerable now. Its oil imports and dependence on Middle East oil have plunged. The Organization of Petroleum Exporting Countries' share of non-Communist world oil production has slipped from 31 million barrels per day to little more than half that figure, while non-OPEC production has climbed from 17 million to more than 26 million per day.

During these years, the United States has increased its gross national product by more than one-third while consuming 9 percent less oil. About 500 million barrels of oil are now stored in a strategic petroleum reserve, and the machinery for emergency cooperation with America's allies is in place.

But there are dark clouds. First, American oil production peaked at 11.3 million barrels per day in 1971 and is now around 9 million. While uncertainties abound, most experts expect a slow downward drift between now and the end of the century. America's proved oil reserves declined by one-fourth between 1972 and mid-1985 despite a threefold increase in real oil prices.

The United States's share of world oil reserves is roughly 4 percent, but 55 percent of all reserves are found in the Middle East, the world's most unstable region. And last year, the United States still spent $1 billion per week to import oil.

Second, forecasting is an uncertain business. Crises, gluts and price changes have often come as a surprise. Over the long term, major price changes do have an impact on supply and demand for oil.

During the 1970s, pessimists overlooked this reality. But the market mechanism works both ways, and a prolonged period of very low prices could lead to increasing demand for oil and reduced production and development of non-OPEC oil and of other competing forms of energy.

Oil-importing countries thus run the risk of increased dependence on the Middle East. Even if by chance the Israelis and Palestinians settled their differences, the Middle East would remain prone to monumental instability — as the bloodletting in South Yemen, the war between Iran and Iraq, and the actions of Libya should remind us.

The time to think about avoiding a future crisis is now, rather than if and when oil supplies again become tight. The necessary elements entail a mix of energy sources and a continuing effort to discourage increases in oil consumption and imports.

The United States should, for example, retain the 27.5 miles-per-gallon (11.6 kilometers-per-liter) standard for new cars; the recent reduction to 26 is stunningly shortsighted. The federal gasoline tax should be increased. At a time of falling prices, this should not be inflationary, yet it would discourage gas guzzling and could provide a welcome respite on the budgetary front. (An additional 15 cents per gallon would yield $15 billion per year.) And the strategic reserve should be expanded; indeed, this is precisely the time to do so.

Finally, the U.S. government should encourage non-oil forms of energy. While synthetic fuels have become a white elephant, ample possibilities for coal, natural gas and solar research and development remain. Electricity demand has risen more or less point for point with the gross national product during the past decade. Since 1973, the United States has retired electrical plants that burned two million barrels of oil per day. Rather than risk the need to return some of these old plants to service in the 1990s, steps should be taken (expanded use of coal and nuclear power, increased conservation) to ensure long-term electricity supplies from non-oil sources.

To look ahead a decade is essential. The mid-1990s seem far off, but in other realms (consider the familiar 30-year mortgage) we are accustomed to planning much further in advance. By doing so, America can avert the economic and political consequences of another oil shock.

The writer, professor of government at Georgetown University, is author of "The Oil Decade." He contributed this comment to The New York Times.

Cloudy Thinking Over a Chessboard

By Charles Krauthammer

WASHINGTON — This is my annual column on political scandals in the world of chess. It is, admittedly, a small corner of the universe but, like most such corners, it is a microcosm. Last year, I brought you the attempt to rob Gary Kasparov of the world championship. (Epilogue: It failed, he won.) This year, a bigger story — an attempt to rob Americans of their self-respect.

In the Soviet Union, chess players are organized, subsidized and lionized. The system produces the best players in the world. In the United States, chess players enjoy a status similar to that of 19th-century actors: Theirs is an odd, slightly disreputable occupation. So, for American chess to put on a show that will generate interest and money, it needs Russians. Soviet authorities know this. And that puts them in what capitalists call a monopolistic position. Monopolists can dictate price.

The Russians offered the U.S. Chess Federation a spectacular tournament in Atlantic City: the best of the United States vs. the best of the Soviet Union. Rocky IV, minus the pectorals. The Soviets would send a six-man team, including Mr. Kasparov and the former champion Anatoli Karpov, the Ali and Frazier of world chess. One small price: The U.S. team must not include any Soviet émigrés.

Now, an American chess team from which émigrés are banned is like an American basketball team from which blacks are banned. But the Soviet motive was not to make it easier to win the match. The Russians will win anyway, hands down. The point was to demonstrate to current and future Soviet émigrés how long is the Soviet reach.

Lev Alburt already knows. He was a top Soviet grandmaster when he defected to the United States in 1979. He is now the U.S. champion, but is invited to few top foreign tournaments, because organizers know that if Mr. Alburt comes, no Russian will.

The scandal here is not the Russians' demand; they were just being good Leninists. The scandal was the U.S. response. Rather than refuse to discuss the blackmail, American chess officials entered into negotiations. (The American disease: the urge to negotiate everything.)

The real Soviet target was Mr. Alburt, who is not just an émigré but a defector. If Mr. Alburt plays, said the Soviet side, no match.

> ***What was to have been a 'Rocky IV' of chess may have been spoiled by U.S. submission to Soviet pressure.***

American chess officials preferred, of course, to include Mr. Alburt. But, "if necessary," they were prepared to sacrifice him and then "try to reach an accommodation" with him, as one chess federation memo put it.

The deal needed to be arranged quietly and with Mr. Alburt's acquiescence. But he refused to acquiesce. And he did not go quietly. The story got out. Other people in the chess world expressed outrage. The tournament collapsed. Epilogue: Negotiations recently resumed with the U.S. side now firmly rejecting the Soviet demands. Soviet officials then dropped their demands (there is a moral here) and the match, Mr. Alburt included, appears to be on.

The scandal, here as elsewhere, is not the power of Soviet censorship. It is the phenomenon of Western self-censorship, of which the Alburt affair is a particularly clumsy example: heavy-handed Russians compromising light-minded Americans.

You do not have to play chess to encounter the problem. For Western scholars and journalists working in totalitarian countries, self-censorship is an occupational hazard. If you say anything too displeasing to the authorities, you can be expelled. And a Russia expert who is denied access to Soviet society and Soviet archives is gravely wounded professionally.

Andrew Nagorski, a Newsweek correspondent expelled from the U.S.S.R. in 1982, makes clear in his memoir, "Reluctant Farewell," that for some the solution is self-censorship, often unconscious. You know what limits the regime will tolerate. You tailor your contacts, your speech, even your questions to fit.

A few years ago, a Stanford anthropology student who reported (undiplomatically, in a Taiwanese journal) on forced abortion and infanticide in China was thrown out of China. Then out of Stanford. The university says it did so because of other offenses, and denies that the prospect of losing scholarly access to China influenced it.

Perhaps. But it did color the thinking of others. At the time, the president of the Social Sciences Research Council in New York wrote Stanford to warn that the U.S.-Chinese exchange program "could be harmed if the American scholarly community took no action on what the Chinese regarded as improper behavior by the researcher." Thinking ahead is prudent. But in such a context, thinking ahead means thinking Chinese.

The chess negotiators were certainly thinking Russian. Another chess federation memo explains the Soviet demand that the U.S. side ban émigrés: "The U.S.S.R. wants this match to be a friendly contest. … Their rationale is not one of boycott but of spirit." Spirit, mind you. Not even a Russian could think that Russian.

Washington Post Writers Group.

A Golden Moment For Arms Control

By Edward M. Kennedy

The writer, a Democratic senator from Massachusetts, recently visited Moscow. Two of his aides, Lawrence C. Horowitz and Thomas K. Longstreth, accompanied him and helped prepare this article. This is the first of two parts.

WASHINGTON — After years of harsh talk and mutual suspicion, the United States and the Soviet Union are closer to major progress on nuclear arms control today than at any time since 1979. It is now possible to outline a series of far-reaching agreements that, with sufficient political will on the part of both sides, can be achieved in the next few years.

The two sides are closer on these matters than anyone has yet conceded. If the final gaps can be bridged, mutually verifiable agreements can be reached to achieve these goals:

- The removal of all American and Soviet intermediate-range nuclear forces from Europe.
- A halt to all future testing of nuclear weapons.
- A drastic reduction in multiple-warhead, heavy land-based missiles. This would be linked to a ban on the development and deployment of space-based defense systems, while permitting research on such systems.

My belief that such progress can be made is based both on my experience as a member of a Senate group that has been monitoring the arms talks in Geneva for the past year and on my lengthy meetings earlier this month with General Secretary Mikhail Gorbachev and Foreign Minister Eduard Shevardnadze of the Soviet Union.

In his most recent public proposal, Mr. Gorbachev announced a willingness to withdraw all Soviet SS-20 missiles from Europe if the United States withdrew its Pershing-2 and cruise missiles from Europe and if Britain and France agreed to freeze their nuclear missile systems.

The Gorbachev offer appeared to be a partial acceptance of President Reagan's "zero-zero" proposal, which would have banned all U.S. and Soviet intermediate-range nuclear forces, wherever based. It was initially part of a larger, three-phase package ostensibly aimed at eliminating nuclear weapons. At the time, the central problem with Mr. Gorbachev's offer was that Soviet acceptance of the U.S. position appeared to be linked to a Soviet demand that the United States abandon Mr. Reagan's Strategic Defense Initiative, the so-called "star wars" proposal.

Mr. Gorbachev told me explicitly and unequivocally that there are no "preconditions" to negotiating the immediate removal of Soviet and American medium-range missiles from Europe. These negotiations can be successful even if there is no progress in the SDI talks. Mr. Gorbachev knows he is making a concession, and he expressed the hope that it would allow quick progress.

There are other important issues to be resolved before an agreement on medium-range nuclear forces can be signed. Will modernization of British and French nuclear forces be permitted? How many SS-20s can be deployed in Central and Eastern Asia? Will the Russians accept the verification measures that the United States will require? These are difficult questions, but solutions exist.

For example, the 1982 "walk in the woods" formula suggested by Ambassador Paul Nitze would have required the Soviet Union to freeze its SS-20 missile launchers in Europe at 90. As part of a new agreement, the U.S.S.R. could reduce its launchers to that level.

The issue of British and French forces will be more difficult. Yet a middle ground is visible in which British and French nuclear modernization and replacement could proceed, as long as the number of warheads is not substantially increased after U.S. and Soviet reductions in medium-range missiles take effect.

A breakthrough on such missiles has now occurred, and solutions to these other issues should be explored immediately in Geneva. Mr. Gorbachev views medium-range forces as the most dangerous nuclear flash point between the two nations, since the missile flight time is so short — under 10 minutes. Removing this flash point would be a major step toward arms control.

In our talk, Mr. Gorbachev also emphasized that the Soviet Union was prepared to enter into an agreement banning all nuclear testing, without any precondition or requirement of progress in other areas. He expressed the hope that the current unilateral Soviet moratorium would be matched by the United States.

Mr. Gorbachev and Mr. Shevardnadze — with whom I had a separate meeting — both stressed that they were willing to agree to a range of measures, including on-site inspections, to verify compliance.

Nuclear testing in the atmosphere has been prohibited since the Limited Test Ban Treaty of 1963, negotiated by President Kennedy and Nikita Khrushchev. Today, the Reagan administration opposes a comprehensive test ban; it contends that continued underground testing is essential to maintain the reliability of America's nuclear stockpile.

> ***Major progress on arms control is closer than at any time since 1979. Far-reaching accords are within reach.***

Even if the administration does not accept a moratorium, a compromise is still possible. The solution involves three steps: first, to ratify the Threshold Test Ban Treaty and the Peaceful Nuclear Explosions Treaty; second, to improve verification measures to monitor testing; and third, to phase in lower thresholds on future tests.

The 1974 Threshold Test Ban Treaty limits U.S. and Soviet underground test explosions to a yield of less than 150 kilotons. The 1976 Peaceful Nuclear Explosions Treaty provides comparable limits on nuclear tests for peaceful purposes. These two treaties were signed, but never ratified by the Senate. Both sides continue to observe them, but the Reagan administration has refused to endorse them until the Russians accept more extensive verification measures; by a vote of 77 to 12 in 1984, the Senate urged the administration to support the treaties.

The Soviet leaders told me that they would agree to additional verification measures only in the context of a total ban on testing. They stressed that the two existing treaties contain verification provisions not yet in effect because the United States has not ratified the treaties.

To bridge this difference, the two sides should permit technical teams to visit each other's test sites to observe tests and to calibrate monitoring equipment needed for accurate measurement of yields. With the assurance gained from this and other verification measures, the 150-kiloton threshold could be reduced over time, allowing for high-confidence verification and moving toward a final total ban on nuclear tests.

A comprehensive test ban would be an extremely effective step toward halting the nuclear-arms race. There are other ways, short of underground testing, to guarantee the reliability of the nuclear arsenal.

By ratifying the two pending treaties, by improving verification, and by gradually lowering thresholds for future testing, both nations would build confidence in the possibility of verifying a comprehensive ban; in the interim, the Reagan administration could conduct the low-yield tests it says are needed. But as testing thresholds declined, some current high-yield testing would be prohibited, including tests of the nuclear-pumped X-ray laser being conducted in the Strategic Defense Initiative program.

The Washington Post.

LETTER

Banking in the Gulf

The article "Recession Forecast for Gulf Banking" *(Dec. 24)* notes that bankers face troubles in Saudi Arabia because of that nation's underdeveloped legal system, which is based on Islamic law. As a participant in that market for the past five years, I would change the stress to three legal generalities.

Foremost, the government of Saudi Arabia has chosen to foster the establishment of Western-style banking. Many applications for banking licenses for Islamic banks, even those backed by members of the royal family, have been denied.

Simultaneously, the kingdom has refused to adopt laws that would accommodate the banking system it has created. Some feel that a fear of the Islamic lobby is to blame. Others say the issue is based on the lack of a mature legislative policy.

Finally, the kingdom's Islamic legal system is well developed, but it is not well managed. One reads of conflicting judgments reached in similar cases in different cities. Precedents are curiously ignored. Yet, Islamic law should function much like the West's common law.

Bankers' troubles are likely to continue as long as the kingdom fails to reconcile its banking system and its legal system.

AHMED ALI.
Fox Point, Wisconsin.

U.S. Refuses Duvalier Entry as 'Undesirable,' Notes Security Risk

By Michael Dobbs
Washington Post Service

PARIS — A French plan to get rid of Jean-Claude Duvalier by putting the exiled Haitian dictator on a plane bound for New York was called off at the last moment Sunday after intense negotiations between Paris and Washington, according to official sources in both capitals.

Mr. Duvalier arrived in France on Feb. 7 aboard a U.S. Air Force plane with permission to stay for a week. He remained closeted at a luxury hotel in the French Alps on Sunday as diplomatic efforts continued to find him a permanent place of refuge.

In Washington, the State Department said Sunday that Mr. Duvalier was "an undesirable and undocumented alien" and would not be allowed to enter the United States.

A department spokeswoman, Anita Stockman, said that "if he is put on a plane to the United States, Duvalier does not have a visa and would not be allowed in.

"Our laws and regulations would make him unable to come to the United States," she said. "He would be an undesirable and undocumented alien. He will not be admitted. Moreover, there is a large Haitian exile community in the U.S. Security would be a major problem for Duvalier here."

She added: "In addition, an extradition treaty is in effect between the U.S. and Haiti. Were Duvalier to come here, he could expect to be returned to Haiti at some future date."

Ms. Stockman declined to discuss the talks between Washington and Paris over Mr. Duvalier, or to say whether he was deemed "undesirable" because of his actions while in office.

Mr. Duvalier, whose family dispensed with elections during nearly three decades of autocratic rule, fled to France after his government failed to put down growing unrest that culminated in rioting and looting in the Haitian capital.

Mr. Duvalier's French lawyer, Sauver Vaisse, said that the negotiations appeared to have reached a temporary "dead end" following the State Department's announcement.

Officials in Paris and in Washington said that French and American hopes of finding Mr. Duvalier a permanent home continued to center on Liberia. The Liberian government announced Friday that it would only consider granting asylum if Mr. Duvalier requested it.

No country has agreed to give Mr. Duvalier asylum. Several have refused requests.

Mr. Duvalier and three members of his family were booked on Air France's 1 P.M. flight from Paris to New York, airline officials said, but he never left the French lakeside resort of Talloires. They said that the reservations were later canceled.

Speaking to journalists in Talloires, Mr. Vaisse said the French government had indeed made plans for Mr. Duvalier's departure Sunday but that the United States had refused to accept him. He said that his client was bewildered by the negotiations on his future, which were taking place "over his head."

The latest confusion appeared to reflect misunderstandings between Washington and Paris about Mr. Duvalier's hurried departure from Haiti and "transit" through France. Now that Mr. Duvalier has overstayed his original entry permit, the official French view is that it is up to the United States to rapidly come up with a permanent place of exile.

"The French do not like the feeling that someone can be dumped on them," a Western diplomat in Paris said.

Diplomatic sources said that high-level contacts between Washington and Paris continued Sunday in an attempt to resolve the problem.

In Washington, a diplomatic source said Secretary of State George P. Shultz had called the French minister for external relations, Roland Dumas, late Saturday to discuss the Duvalier case. It was only then, according to this account, that the French changed their minds about putting him on a plane for New York.

According to Agence France-Presse, the French news agency, the Foreign Ministry gave Mr. Duvalier a choice on Friday night between going to Liberia or to the United States. He rejected the Liberian option on the ground that his security could not be guaranteed, the news agency reported.

Mr. Duvalier's French lawyers attempted to prolong his stay in France by submitting a request last week for him to be granted political asylum on the grounds that he was subject to "persecution" if he returned to Haiti. But the French government made it clear that it would reject the request.

French officials cited the "threat to public order" as sufficient grounds to expel Mr. Duvalier from France should he refuse to leave voluntarily.

In an interview published Saturday by the Paris newspaper Le Figaro, Mr. Duvalier said the United States had urged him to call new presidential elections in Haiti before his departure, but that he had refused on the ground that it could result in further violence.

Lima Quiet As Tanks Patrol Streets

United Press International

LIMA — President Alan Garcia Pérez has ordered tanks to patrol the streets of Lima following three weeks of urban dynamite attacks, street assassinations and firebombings.

The tank patrols began early last week and continued over the weekend. Mr. Garcia declared a 60-day state of emergency in metropolitan Lima on Feb. 7 and imposed a curfew from 1 A.M. to 5 A.M.

Most residents have applauded Mr. Garcia's action, and Peru's two principal leftist rebel groups have been silent in Lima since tanks started patrolling the city.

The measures were not expected from Mr. Garcia, 36, who took office six months ago pledging to pacify Peru's leftist guerrillas with social reform.

The government has blamed most rebel violence on Shining Path, a guerrilla group dating from 1980. At least 6,000 peasants, rebels and soldiers have been killed in the guerrilla war. Another 2,000 people have disappeared.

Another leftist group, the Tupac Amarú Revolutionary Movement, appeared in mid-1984. Experts contend that the pro-Cuban group is unrelated to Shining Path.

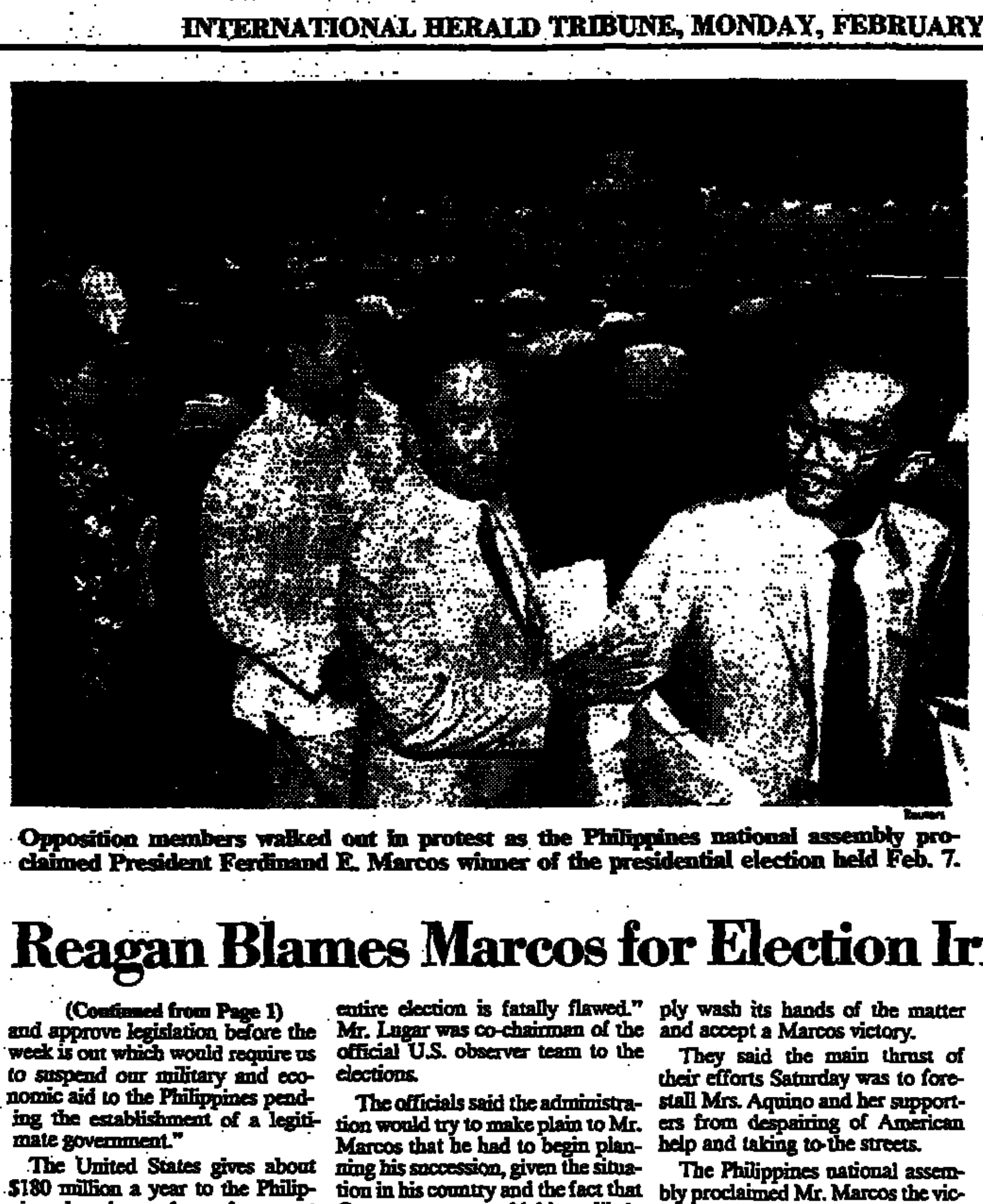
Unlike Shining Path, which never takes responsibility for its attacks, Tupac Amarú asserted that its rebels launched dynamite assaults against 13 exclusive restaurants and clubs from Jan. 20 to Jan. 24, causing extensive damage.

On Feb. 3, rebels carried out more than 20 bombings in the metropolitan Lima area within half an hour. No group claimed responsibility.

That night, extremists planted sophisticated incendiary devices that caused a major fire the next day near Peru's presidential palace. The fire destroyed a quarter of a city block.

Mr. Garcia, in declaring a state of emergency, called the attacks "professional violence."

"The attacks showed a strength that was unforseen among the insurgent groups," said Raul González, a sociologist and specialist on Peru's rebel movements.



Opposition members walked out in protest as the Philippines national assembly proclaimed President Ferdinand E. Marcos winner of the presidential election held Feb. 7.

Reagan Blames Marcos for Election Irregularities

(Continued from Page 1)
and approve legislation before the week is out which would require us to suspend our military and economic aid to the Philippines pending the establishment of a legitimate government."

The United States gives about $180 million a year to the Philippines, largely as a form of payment for use of two military bases.

Senator Richard G. Lugar, a Republican of Indiana and chairman of the Foreign Relations Committee, went further in his criticism of the elections.

"I would not accept the legitimacy of the vote count by the national assembly," he said Saturday. "So many votes were miscounted, recounted and never made, that the entire election is fatally flawed." Mr. Lugar was co-chairman of the official U.S. observer team to the elections.

The officials said the administration would try to make plain to Mr. Marcos that he had to begin planning his succession, given the situation in his country and the fact that Congress now was highly unlikely to continue the aid program.

The administration official in Santa Barbara reinforced this by saying that the whole point is "to remain positively involved" and "to remain actively engaged in the process."

Officials in Washington said this was intended as a signal to the backers of Corazon C. Aquino that the administration would not simply wash its hands of the matter and accept a Marcos victory.

They said the main thrust of their efforts Saturday was to forestall Mrs. Aquino and her supporters from despairing of American help and taking to the streets.

The Philippines national assembly proclaimed Mr. Marcos the victor Saturday over Mrs. Aquino.

Administration officials said they had been hoping that this proclamation would be delayed to give Philip C. Habib, a special presidential envoy, time to fashion an arrangement to reconcile Marcos and Aquino supporters.

The assembly's pronouncement that Arturo M. Tolentino, Mr. Marcos's running mate, had defeated Salvador H. Laurel, the opposition's candidate, for the vice presidency foreclosed one avenue of compromise — a Marcos-Laurel team.

Two key administration officials emphasized that for compromise to work it must involve the beginning of a post-Marcos transition period. Such a period, one of the officials said, "includes the possibility of Marcos hanging onto power for a while and his working with opposition leaders to establish a framework for what happens next."

The officials said they hoped some such solution would be acceptable to the Aquino camp.

Administration officials said Saturday that they viewed the election and the general situation in much the same way as congressional and other observers.

Marcos Orders Arrests of Priests Who Work With Communists

By Michael Richardson
International Herald Tribune

MANILA — President Ferdinand E. Marcos of the Philippines announced Sunday that he had ordered the arrest of priests allegedly working with Communist guerrillas to overthrow his government.

Mr. Marcos did not give further details but attacked "clerico-fascists," saying that they were in league with his political opponents to undermine his regime.

The move came two days after the leadership of the Roman Catholic Church in the Philippines said the conduct of the Feb. 7 presidential election was fraudulent and called for "active resistance" of the government by "peaceful means."

Church sources said Mr. Marcos's comments, made in a televised news conference, were part of an official campaign to intimidate and discredit members of what is widely considered here to be one of the most respected and influential organizations in this predominantly Christian country.

In a letter Saturday to Cardinal Ricardo Vidal, president of the Catholic Bishops' Conference of the Philippines, Mr. Marcos said the government was bound by duty to file cases in court against all who committed violations of the law during the recent elections, including members of the clergy and religious orders. But he said this would not mean that the government was fighting the church itself.

Mr. Marcos's letter said it was "most disturbing" that the bishops had described the elections as "unparalleled in the fraudulence of their conduct." He called for evidence to substantiate the charges.

Mr. Marcos also said it was "truly regrettable" that the bishops, whose statement on the election was read in churches in different parts of the country Sunday, had called on people to join what the bishops called a "nonviolent struggle for justice."

"None of us can close our eyes to the dangerous implications of the course that you have proposed in line with your perception of the elections," he said.

The archbishop of Manila, Cardinal Jaime L. Sin, said Saturday in an interview that he believed Mr. Marcos was "very mad" with the bishops.

He denied government charges that the bishops' statement on the elections would foment violence. He said their action "could stop violence because had they not spoken then the situation would worsen."

If the church had remained silent and if the people did not respond, he said, "this will be the end of democracy."

Cardinal Sin said the church had become active because the conduct of the elections and the counting of votes had a moral aspect. But he declined to say whether he felt Mr. Marcos should relinquish the presidency, as called for last week by his main election opponent, Corazon C. Aquino.

"You are the leader of a country if you are chosen by the people," he said. "Now if it is proven you are there by fraud, then you are not a real leader."

In the past few days, government-controlled news organizations have highlighted reports that Pope John Paul II had cautioned the Philippine church hierarchy against involvement in partisan politics.

Church sources said the bishops had received a cautionary message from the Vatican. But Cardinal Sin said he and other Catholic leaders felt the local situation demanded that the bishops speak out clearly.

The chief Vatican spokesman, Joaquin Navarro Valls, said Saturday in Rome that "given the delicacy of the situation and its complexity" the Vatican "cannot but express confidence" in the Philippine bishops' "sense of pastoral responsibility."

Bishop Federico O. Escaler, who is from the southern Philippines, said in an interview that only two of about 50 church leaders had not reported election abuses in their areas of responsibility.

He said the bishops realized that by speaking out they were taking a risk and that Mr. Marcos would "go after" the church.

Punitive government action could include arrests and surveillance of clergy, and heavier taxes on church property and schools.

Marcos Warns U.S. on Bases

The Associated Press

WASHINGTON — President Ferdinand E. Marcos of the Philippines threatened Sunday to abrogate the military bases treaty with the United States if the Reagan administration cuts off aid to his government.

Aquino Calls For Strike; Ver Resigns

(Continued from Page 1)
Mrs. Aquino's vice presidential candidate.

Opposition members walked out of the chamber, accusing the government of using its two-thirds majority to override objections and cut short debate.

Opposition members said nearly all of the 140 certificates of canvass, on which the official tally was based, contained irregularities that put their authenticity in doubt.

The speaker of the assembly, Nicanor Yñiguez, who was Mr. Marcos's national campaign manager in the elections, ruled that the objections were "procedural" and that there was no reason to delay the proclamation.

Under the law, the assembly had 30 days to canvass the votes and proclaim the winners. But it concluded the job in six days.

It appeared that Mr. Marcos wanted to be proclaimed president before Sunday's opposition rally and his first meeting with President Ronald Reagan's special envoy, Philip C. Habib, who arrived Saturday night in Manila at the start of a fact-finding mission.

Mr. Habib, who declined to make a statement on arrival, is scheduled to meet Mr. Marcos Monday morning and Mrs. Aquino and the Roman Catholic archbishop of Manila, Cardinal Jaime L. Sin, in the afternoon.

Mrs. Aquino said the "indecent haste" with which Mr. Marcos was proclaimed "implied the hollowness of his victory."

But Mr. Marcos hailed his reelection as a great victory for the Filipino people.

At his press conference Sunday, Mr. Marcos repeated allegations made during the campaign that the

Reuters
General Fabian C. Ver

opposition alliance led by Mrs. Aquino had been infiltrated by Communists.

He also said that overage generals including the heads of the army, navy and air force, would be retired unless opposition demonstrations led to violence.

General Ver, two other generals, 22 officers and enlisted men and a civilian were cleared late last year by a special court of involvement in the assassination in August 1983 of Mrs. Aquino's husband, Benigno S. Aquino Jr.

Mr. Marcos said intensification of the counterinsurgency campaign would be one of his top priorities along with reviving the country's economy and dealing with its $25-billion foreign debt.

Mr. Marcos, 68, said the national assembly vote count "reflects the verdict of the entire Filipino people.

"I'm the president," he said, adding in a reference to his political opponents, "They are not going to drive me out because the people are behind me."

Mrs. Aquino said she was not advocating violent revolution to overthrow the Marcos regime.

But she added in a reference to her demand last week that the president step down: "If Goliath refuses to yield we will keep dipping into the arsenal of nonviolence."

Vote Fraud: Unique Twist Is Alleged

(Continued from Page 1)
Ferdinand E. Marcos, and many of these houses were systematically culled from the registration rolls before election day, according to Mr. Concepcion.

"I thought I had seen everything," he said. "This goes beyond the dreams of Mayor Daley." Richard J. Daley was the mayor of Chicago for two decades beginning in 1955.

The loss from this and other registration abuses, he estimated in an interview, would amount to about one in 10 voters. It would be the theoretical margin of victory for Corazon C. Aquino, the opposition candidate, who was the loser by 1.6 million votes under the official count offered Saturday night by the National Assembly.

Mr. Marcos has denied that his political organization was used in any way illegally to "manipulate" the vote, as U.S. observers asserted on election day.

The president has directed his own allegation of vote fraud at the watchdog group.

But the co-chairman of the American observers' delegation, Senator Richard G. Lugar, a Republican of Indiana, endorsed the impartiality of the watchdog group, with its 400,000 poll watchers and vote counters, calling them the "eyes and ears" of the observers.

On election day there were many complaints from voters who suddenly found themselves no longer listed as eligible to vote.

The watchdog group asserted that this was accomplished by government chicanery in which registrars rewriting the 1984 rolls selectively "jumbled the records," according to Christian C. Monsod, secretary general of the group.

Beyond the purported sticker ploy, he said, the government compounded the confusion in opposition neighborhoods by exploiting a new regulation that shifted voters from old alphabetically oriented precincts to territorial precincts.

Nationally, the voter turnout in 1984 was 87 percent. A final figure was not available for this election.

Unofficially, however, an expected registration of 26 million was announced before the vote; the official total now is close to 20 million votes — a turnout of about 77 percent. A turnout comparable to that of 1984, 87 percent, would require more than two million additional voters.

Mr. Concepcion said the watchdog group uncovered the purported disenfranchising scheme in recent days in trying to account for the single largest anomaly of a highly fraudulent election — sharply different rates of voter turnout in respective Marcos and Aquino strongholds.

For instance, in Quezon City, a pro-Aquino area, 87 percent of the registered voters voted in the legislative election of 1984. For this election, which created far more popular interest, the Quezon City turnout was 72 percent, a drop of well over 100,000 votes, according to the group's tabulations.

In contrast, Mr. Concepcion said that in such Marcos strongholds as Abra, the turnout was 96 percent.

The pattern was clear through dozens of key opposition areas, he said, and clearest in Manila. Aquino strategists had counted on the capital to overcome Mr. Marcos's strength in outlying areas.

In the metropolitan area, however, the Aquino total in the official tally was 800,000 to one million votes short of what the Aquino strategists estimated as their certain base.

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Suicide Bombings Linked to Pro-Syrian Factions

(Continued from Page 1)
zone on a narrow strip of territory in southern Lebanon.

The pro-Iranian Shiites, according to the Israeli officials, seemed to have concluded that such terrorist actions were counterproductive because more Lebanese than Israelis were being killed. Many also declared that such actions went against the teachings of Islam.

To keep pressure on the remaining Israelis present in Lebanon, according to Israeli officials and Shiite sources in southern Lebanon, Syria turned to the secular, leftist, pro-Syrian Lebanese political parties directly under its control to carry out suicide operations.

Of the 15 suicide attacks launched against Israelis and South Lebanon Army troops in southern Lebanon from April through November, responsibility for five was claimed by the Lebanese branch of the leftist Syrian Social Nationalist Party.

The organization is run by Greek Orthodox Lebanese who advocate a merger of Syria and Lebanon.

The Lebanese branch of the Syrian Ba'ath Arab Socialist Party, the ruling political party in Syria, has taken responsibility for six.

The Lebanese Communist Party said it had carried out one attack, and Misr Aruba, or "Egypt the Arab," a tiny Egyptian opposition group that operates in southern Lebanon, took responsibility for another.

The pro-Syrian secular groups have made no attempt to hide their connections with Damascus and have broadcast several prerecorded interviews with suicide bombers on Syrian television.

Only four of the suicide attackers since April were Shiite Moslems, according to information gathered by the Israeli Army. Of the three suicide attackers captured by Israel, none appeared to be religious fanatics or even religious.

Religious fanatics, according to Mr. Merari, are people who want to change the environment in which they live.

"They are usually prepared to kill others to do it, but rarely themselves," he said.

All of the suicide bombers whose background was traced by Israel had a history of a personality problem or family problem.

Not all of the suicide bombers appear to have known that they were committing suicide, said Uri Lubrani, the Defense Ministry coordinator for southern Lebanon.

For instance, a young girl carrying a suitcase approached a South Lebanon Army checkpoint at the Druze Moslem border village of Hasbaya last May 9. The girl put down the suitcase and was summoned to speak with a South Lebanon Army guard a few yards away.

While they were talking, the suitcase exploded, killing the girl and the soldier, according to other militiamen who were there.

Witnesses later reported that they had seen a man running from a nearby hilltop at the time of the blast. Israeli officials said they believe the man probably detonated the suitcase by remote control.

Since April, only seven South Lebanon Army soldiers have been killed by suicide attacks. In contrast, about 25 Lebanese civilians have been killed and about the same number have been wounded.

French Bomb Libyan-Built Airfield in Chad

(Continued from Page 1)
paign and the resulting political uncertainty in France.

The bombing raid was denounced by a Paris-based representative for the rebels, Abderrahman Moussa, who denied that Libyans were involved in the latest fighting in Chad. He described the French attack as unjustified and said it could provoke "consequences that are difficult to imagine."

Although military specialists differ over the precise role played by the Libyan troops in the latest rebel offensive, there is general agreement that Mr. Goukouni's forces are heavily dependent on Tripoli's logistical support.

In September 1984, Libya and France announced that they would simultaneously pull back their troops from Chad following a year-long military stalemate on the ground.

Mr. Mitterrand, who held a surprise meeting with Colonel Qadhafi two months later, was politically embarrassed when U.S. satellite pictures revealed that the Libyans had not kept their side of the bargain.

Western diplomats in Paris believe that Colonel Qadhafi may have been tempted to call the French president's bluff a second time, taking advantage of the forthcoming parliamentary elections.

Political analysts said that by sending in aircraft Mr. Mitterrand had chosen a military option with a relatively low degree of electoral risk. Previous French military interventions in Chad, which is largely desert, have involved the dispatch of an armed expeditionary force.

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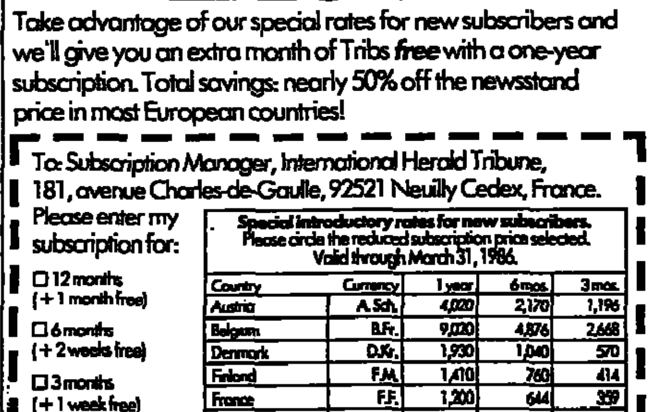

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dm	300	Quebec Province	6½	'96 Mar	s	100	99¾	6.58
$	200	Philip Morris Co Inc	9⅞	'96 Feb	s	100⅝	97½	10.25
y	25000	World Bank	6½	'96 Feb	s	101⅛	100¾	6.47
$	200	Citicorp	10	'96 Feb	s	100⅝	97	10.16
dm	150	Austrian Control B Pa	6⅜	'91 Feb	s	100½	99⅝	6.38
dm	150	Nat Bank Of Hungary	7⅛	'96 Feb	s	100	97½	7.62
$	100	State Bk South Austr	9¼	'93 Feb	s	100	98¾	9.50
$	200	Credit Lyonnais	9	'91 Feb	s	100⅝	99¼	9.19
dm	300	Dai-Ichi Kangyo Bank	6½	'96 Feb	s	100¼	98⅝	6.69
$	125	Saab-Scania	9½	'91 Feb	s	100⅝	100	9.50
$	200	Merrill Lynch Co	9	'89 Feb	s	100⅝	97½	9.20
$	150	Eec Europ Econom Com	8¾	'91 Feb	s	100⅜	98⅞	8.91
$	200	World Bank (2)	9¾	'16 Jan	s	101¼	99½	9.80
dm	100	Pirelli Deutschld W/w	3	'93 Feb	s	100	120	12
dm	100	Pirelli Deutschld X/w	3	'93 Feb	s		81⅝	6.37
$	150	Credit National	9⅛	'93 Feb	s	100	99	9.22
y	15000	Associates North Amer	6⅜	'93 Nov	s	100⅝	98½	6.37
$	50	Feder Business Dev Bk	8¾	'93 Feb	s	100	96¼	9.51
dm	250	Mitsubishi Heavy	2¾	'99 Sep	c	100	100⅝	2.14
$	250	Grace Wr & Co 15.87	7	'00 Feb	c	100	103¾	6.65
dm	200	Caisse Nat Telecomms	6⅛	'96 Feb	s	100	97⅞	6.46
$	100	Swedish Export Credit	9¼	'93 Oct	s	101¼	99¾	9.37
$	200	Procter & Gamble	9½	'96 Feb	s	100⅝	98¼	9.68
dm	150	Ireland Pa	6⅜	'96 Feb	s	100	98	7.16
dm	200	Swiss Bank Corp W/w	2¾	'96 Feb	s	100	104	2.20
dm	200	Swiss Bank Corp X/w	2¾	'96 Feb	s		74½	6.37
dm	300	Eib Europ Invest Bank	6¼	'96 Feb	s	100	97⅝	6.44
dm	100	Indust Dev Bank India	7	'93 Feb	s	99¾	99⅛	7.16
$	100	Paccar Financial Co	9⅛	'91 Feb	s	100⅝	98	9.65
$	125	Statoil Den Norske	9¼	'96 Jan	s	100¼	98	9.57

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HIGHEST YIELDS to Average Life Below 5 Years

HIGHEST YIELDS to Average Life Above 5 Years

HIGHEST CURRENT YIELDS

LUXEMBOURG

MEXICO

MISCELLANEOUS

NETHERLANDS

NEW ZEALAND

NORWAY

SOUTH AFRICA

SPAIN

SUPRANATIONAL

SWEDEN

SWITZERLAND

UNITED KINGDOM

UNITED STATES AMERICA

(Continued on Page 8)

ZERO-COUPON BONDS

Feb. 13

Security	Final Maturity	Original Offerings Amt	Original Offerings Year	Original Offerings Price	Offered Price

WestLB

Eurobonds · DM Bonds · Schuldscheine
for dealing prices call

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Marketmakers in Deutschmark Bonds WestLB
Westdeutsche Landesbank

International Herald Tribune

BUSINESS/FINANCE

EUROBONDS

Dollar's Decline Alarms Foreign-Exchange Market

By CARL GEWIRTZ
International Herald Tribune

PARIS — Financial markets signaled conflicting messages last week. On the foreign-exchange market there was alarm that the relatively gentle decline of the dollar to date is about to accelerate, turning the soft landing that everyone had been hoping for into the hard landing that has haunted the market.

On Wall Street there was euphoria: Stock prices set record highs in four of the five trading sessions and bond prices rose sharply, sending the yield on the Treasury's bellwether 10-year bond to a seven-year low of 8.93 percent.

Motivating Wall Street is the evidence that the U.S. economy is expanding less rapidly than previously thought. January retail sales, which were up 0.1 percent, and industrial production, up 0.3 percent, advanced much more slowly than analysts had expected. At the same time, wholesale prices slipped 0.7 percent, the sharpest monthly decline in three years, easing fears of a resurgence of price inflation.

All of these factors are seen as clearing the way for the Federal Reserve to allow interest rates to decline.

Wall Street sees lower interest rates, lower exchange rates and slower inflation, thanks to the decline in the price of oil, as good for business.

Eurobond Yields
For Week Ended Feb. 12

U.S.$ lg term, Int'l inst.	9.69 %
U.S.$ long term, ind.	10.08 %
U.S.$ medium term, ind.	10.02 %
Can.$ medium term	10.91 %
French Fr. short term	10.28 %
Sterling medium term	11.57 %
Yen medium term, Int'l inst.	6.45 %
Yen lg term, Int'l inst.	6.64 %
ECU short term	8.86 %
ECU medium term	9.24 %
ECU long term	9.30 %
EUA medium term	8.69 %

Calculated by the Luxembourg Stock Exchange.

Market Turnover
For Week Ended Feb. 14
(Millions of U.S. Dollars)

	Total	Dollar	Non-dollar Equivalent
Cedel	17,808.20	11,559.10	6,249.10
Euroclear	—	n.a.	—

But the foreign exchange market sees things differently. Lower interest rates lead to lower exchange rates, which ultimately fuel U.S. price increases and put upward pressure on interest rates.

The dollar's slide last week was largely concentrated in Tokyo, where the yen surged by about 5 percent to a seven-year high of 180 yen per dollar.

Nervousness about the dollar's direction and the approaching March 31 fiscal year for most Japanese companies has made investors reluctant to increase their dollar investments, analysts report.

They estimate that nearly three-quarters of their clients who had been buying dollar securities are now holding back, at least until the April 1 new fiscal year when they will reassess the outlook. In the meantime, the pullback has had an immediate impact on the exchange rate.

That, in turn, fuels fears that the rate move could easily begin to feed upon itself: The more the dollar declines, the more reluctant investors become to buy dollar securities and the further the dollar falls. Traders in Tokyo expect the dollar to fall further this week, testing the 175-yen level.

THE Deutsche mark appreciated only half as much against the dollar, 2.2 percent, but analysts expect it will be pulled up further this week to keep a better balance with the yen. As it was, the DM and Swiss franc traded at three-year highs against the dollar last week.

With exchange rates again in flux, the obvious question is: Who is buying the $1.4 billion worth of fixed-coupon dollar Eurobonds launched last week? The answer would appear to be U.S. banks that are flush with funds and are unwilling to take the foreign-exchange risk of buying nondollar securities.

There was a notable paucity of nondollar Eurobonds offered last week as issuers hold back in anticipation of a realignment of exchange rates after the French legislative election in mid-March.

The few DM offerings that came to the market were a blowout, particularly the first ever by a West German government agency. The issuer is a Jersey-based entity called Euro-DM Securities created to act as the conduit for the Deutsche Bundespost, the federal post office.

Euro-DM's sole asset is a 30-year loan to the Bundespost that earns annual interest for the first 10 years and interest every five years during the final 20 years. The interest income and the final principal repayment have been repackaged and sold as zero-coupon Eurobonds. The first 10 issues have been privately placed, leaving for public sale 211.76 million DM of 15-, 20- and 25-year bonds and 800 million DM of 30-year paper.

The 15-year paper was offered at a price of 37.80, or 378 DM

(Continued on Page 9, Col. 1)

Lonrho Bids for BL Unit

Approach Rivals Offer From GM

By Bob Hagerty
International Herald Tribune

LONDON — Lonrho PLC has offered to buy Land Rover from the British government in an attempt to block a controversial effort to sell the maker of light, four-wheel-drive vehicles to General Motors Corp., a Lonrho director said Sunday.

The approach from Lonrho, a London-based conglomerate, comes amid strong political pressure against sales of British industrial companies to U.S. interests. "There's a big body of opinion in Great Britain that Land Rover should remain British," said Paul Spicer, the Lonrho director.

Mr. Spicer, who was confirming weekend press reports, declined to say how much Lonrho was prepared to pay for Land Rover, which is part of government-owned BL PLC.

GM has been negotiating to buy Land Rover as well as BL's truck-making division. Roger Smith, chairman of GM, was quoted last week as saying that he believed an agreement was near.

But leaders of the opposition Labor Party, as well as some prominent Conservatives such as Edward Heath, a former prime minister, have denounced the possible sale to GM.

The government earlier this month backed away from talks aimed at selling Austin Rover, the car-making unit of BL, to Ford Motor Co. after an outcry from Parliament and several cabinet members.

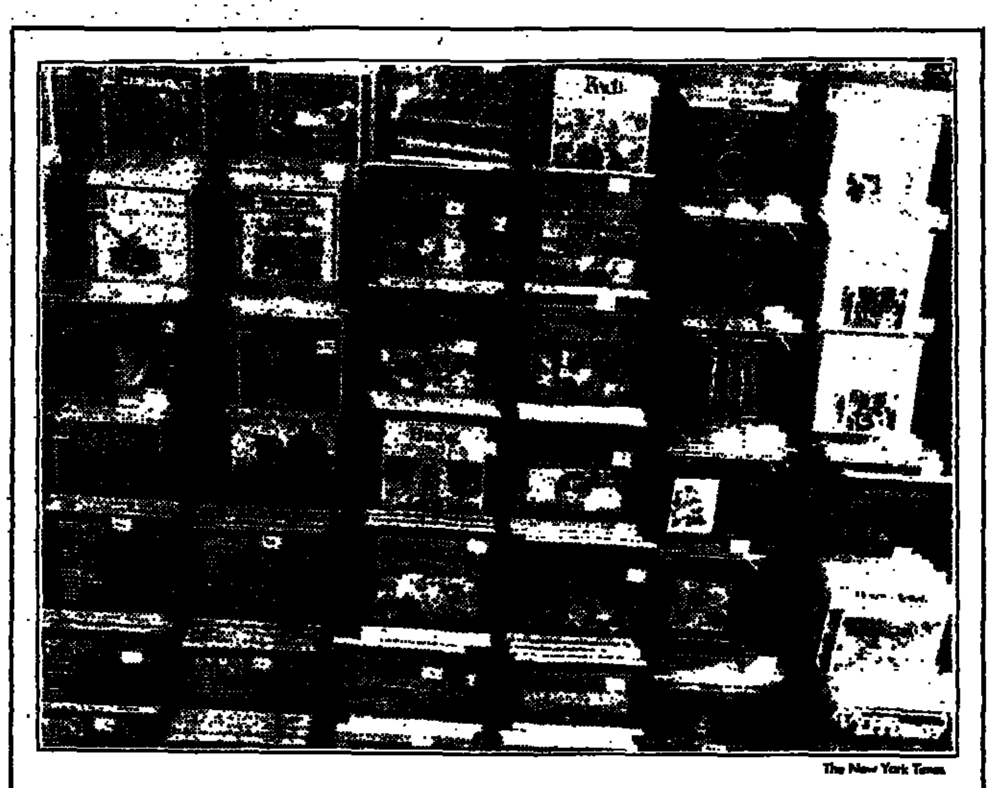
At the same time, the government is struggling to recover from wounds inflicted by the debate over whether a consortium that included a U.S. company, United Technologies Corp., should be allowed to acquire a minority share in Westland PLC as part of a financial rescue of the British helicopter maker.

Westland shareholders finally approved the rescue last week, but only after two cabinet ministers had been forced to resign by a virulent political squabble over the issue.

Even so, British officials have described GM, with its Bedford commercial vehicle subsidiary in Britain, as a strong partner for the truck and Land Rover units of BL, formerly known as British Leyland.

In 1985's first half, Land Rover had an operating profit of £5.7 million ($8 million), compared with a year-earlier loss of £2.1 million.

Lonrho, whose interests also include agriculture, mining, hotels, casinos, textiles, wines and spirits, reported pretax profit of £158.3 million on sales of £2.59 billion for 1985.



The New York Times

Tracking the Compact Disk Market

Are They Recording Booms or Another Hi-Tech Bust?

By Geraldine Fabrikant
New York Times Service

NEW YORK — The recording industry, while enjoying the booming market for compact disks, also is having to grapple with the new product's inevitable growing pains.

Mindful of the boom-and-bust cycles of other technologies — notably video games and, to a lesser extent, personal computers — the industry's leaders in the United States, CBS Records and Warner Records, are proceeding cautiously in trying to solve production and distribution problems, analysts said. In particular, the analysts add, the companies have been wary about deciding whether to invest heavily in manufacturing plants of their own.

Meanwhile, the 12 plants that exist worldwide, including just one in the United States, are struggling to keep up with demand for the plastic disks, whose sound quality is generally held to be superior to records and cassettes.

"Consumers are tearing the disks off the shelves," said Barry Bergman, owner of the Record Bar, a leading retail chain based in Durham, North Carolina, that is having trouble maintaining supplies.

CDs posted $17 million in sales in the United States in 1983, the year that they were introduced there. That soared to $103 million in 1984 and an estimated $320 million last year, or about 12 percent of the industry's total, including records and cassettes. By 1990, some industry experts predict, CDs could account for as much as 40 to 60 percent.

The industry still is trying to catch its breath. "Until this year, no one was really certain just how fast it would evolve," said Geoffrey Holmes, a vice president at Warner Communications, parent of the record unit.

And even now there are some qualms, despite the optimistic predictions. Some in the industry, for example, are concerned that technological changes could alter the current process used to make CDs.

And no one seems sure about just where the CD market is going as it continues to broaden. The expansion has been fueled by sharp declines in the price of CD players, to as low as $150 for discon-

(Continued on Page 11, Col. 5)

Mexico Makes 2d Hefty Cut in Crude Oil Price

By William A. Orme Jr.
Washington Post Service

MEXICO CITY — Mexico has slashed the price of its crude oil exports to $15.07 a barrel, an average reduction of $4.68 and the second hefty price cut in two weeks.

The reduction will cut the export earnings of Mexico, a major supplier to the United States, by an additional $2 billion yearly.

The cut is evidence of Mexico's "efforts to remain competitive" in the world oil market, Petróleos Mexicanos, the government oil company, said Friday in a statement announcing the move.

Buyers here had been anticipating a cut since Venezuela, another major supplier to the United States, slashed its Bachaquero 17 heavy oil by $4.50 to $14.30 a barrel earlier last week.

The cuts put Mexican oil well below the price of West Texas Intermediate crude, a leading U.S. oil, which sold for about $16.50 a barrel on the open market Friday. Contract prices posted by U.S. oil companies for the same grade are in the $18-to-$22-a-barrel range.

For the past five years, Mexico has depended on petroleum revenue for two-thirds of its export income. The price reductions are seen as heightening the likelihood of a rescheduling of Mexico's foreign-debt interest payments, expected to total $10 billion this year. Banks also may postpone the collection of a $950-million debt principal payment Mexico is slated to make in April, foreign bankers in Mexico said.

The prices announced Friday are retroactive to Feb. 1, and cover the first half of the month, a government spokesman said. Prices for the second half will be set at the end of February, he said.

Because Mexico has been slow to move prices downward, its oil exports so far this year have fallen below an average 1.2 million barrels daily, private industry sources said.

In 1985, Mexico exported 1.44 million barrels a day, down from the 1.53 million it had averaged in the three previous years.

"Speaking as a Mexican, not as an oil buyer, I see the price cut as disastrous," said a local representative for a major foreign oil firm. "The news could still get even worse."

Mexican energy officials plan to meet with clients and officials from other producing countries on Monday at an international petroleum conference in London, industry sources said.

The Mexican officials are expected to outline a "more flexible, market-responsive" pricing policy that would be adjusted as often as daily and reflect the current costs of comparable crudes, an analyst at a European oil company said in Mexico City.

As a result of the oil price crunch, Petróleos Mexicanos announced on Friday a 30-day postponement of payments to its Mexican suppliers and creditors.

Venezuela Gets Moratorium on Some Bank Debt

Washington Post Service

CARACAS — Venezuela has obtained a two-year moratorium on repayment of some of its debt from its major creditor banks as a result of the oil price collapse, President Jaime Lusinchi announced Saturday.

Foreign bankers and government officials said that the decision would not delay the planned signing on Feb. 26 of an agreement to refinance $21.2 billion of Venezuela's public foreign debt.

That agreement delays payment of $923 million in principal scheduled for 1986 to later years, although Venezuela will still have to pay about $4.2 billion in debts in 1986. Under the agreement, Venezuela, the second largest producer in the Organization of Petroleum Exporting Countries, is required to pay off the $21.2 billion over 12½ years.

Venezuela's creditor banks agreed to the payment delay because oil income has fallen below target levels.

Sales were expected to average 1.41 million barrels a day at $24.50 per barrel this year, but by Jan. 31, they were only about 1.1 million barrels a day. Venezuela's benchmark crude oil fell last week by $4.50 per barrel.

Creditors Object to Manville Reorganization Plan

United Press International

NEW YORK — Manville Corp. has formally filed its proposed reorganization plan in New York as the best it can "prudently" commit to creditors and still pay asbestos victims who have the "highest priority."

Commercial creditors immediately objected to the plan.

U.S. Bankruptcy Judge Burton R. Lifland accepted the plan on Friday and granted a Manville request for a hearing on April 22 at 10 A.M.

Manville said it would file financial details of the plan in two weeks.

The Denver-based building products company, once the largest U.S. asbestos producer, filed on Aug. 26, 1982, for protection from creditors under Chapter 11 of the Federal Bankruptcy Code while it worked out a reorganization plan.

The move followed thousands of lawsuits claiming damage from exposure to asbestos products, which can cause asbestosis, a lung disease that is potentially disabling or fatal.

Manville plans to set aside $2.5 billion over the next 25 years to compensate asbestos health claims and property claims. It can begin paying outstanding claims as soon as the plan is approved.

Manville's commercial creditors' committee said the plan "discriminates against commercial creditors who will receive less than full payment of their claims."

Bank and trade creditors and shareholders feel they are entitled to 100 percent of their $450 million in claims, plus interest.

One of the creditors' principal objections, according to the committee's counsel John J. Jerome, is a $1-billion contingent fee that lawyers representing claimants stand to receive from the fund set up to compensate present and future asbestos victims. Asbestos-related diseases often take 20 to 30 years to manifest themselves.

The company conceded that its plan for the creditors, which offers cash and stock in Manville, would not pay their claims in full.

J.A. McKinney, the company's chairman, said that Manville believes all its "resources that can prudently be committed for the foreseeable future are already spoken for in the proposed plan."

He said Manville could not offer additional settlement to "unhappy groups."

"Those groups will have to make peace with each other, or we will have to go back to the drawing board," he said.

A company spokesman said: "There's only so much money to go around. Asbestos claims have the highest priority, but our plan was designed to compensate creditors to the best of our ability."

The reorganization plan was hammered out in negotiations with Leon Silverman, who was appointed by the court to represent future asbestos-disease claimants.

The Manville spokesman said, "We believe it's the most logical and fair way to go and it assigns priorities as they should be assigned in terms of paying our creditors.

"We want to bring this bankruptcy to a close so we can begin paying claims and meeting our obligations."

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	Last Wk.	Prev.Wk.	Ch'ge
DJ Indus.	1664.45	1613.42	+3.16 %
DJ Util.	180.55	176.65	+2.21 %
DJ Trans.	771.49	762.23	+1.21 %
S & P 100	211.93	207.48	+2.14 %
S & P 500	219.33	214.55	+2.23 %
NYSE Cp.	126.46	123.70	+2.23 %

Source: Merrill Lynch Paris.

Britain			
FTSE 100	1477.60	1445.00	+2.25 %
FT 30	1219.30	1187.70	+2.66 %
Hong Kong			
Hang Seng	1777.50	1734.04	+2.51 %
Japan			
Nikkei 225	13342.80	13212.10	+1.09 %
West Germany			
Commerzbk	1855.40	2031.10	—3.73 %

Source: James Capel & Co., London.

Money Rates

United States	Last Wk.	Prev.Wk.
Discount rate	7½	7½
Federal funds rate	7 9/16	7 11/16
Prime rate	9½	9½
Japan		
Discount	4½	4½
Call money	5 13/16	5¾
60-day interbank	5 15/16	5 15/16
West Germany		
Lombard	5.50	5.50
Overnight	4.40	4.50
1-month interbank	4.40	4.40
Britain		
Bank base rate	12½	12½
Call money	12	12
3-month interbank	12 13/64	12 13/64

Dollar	Last Wk.	Prev.Wk.	Ch'ge
Bk Engl index	121.00	123.30	—1.87 %
Gold			
London p.m. fix. $	331.25	337.20	—1.77 %

Currency Rates

Cross Rates

Feb. 14

	$	£	D.M.	F.F.	H.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.6645	3.78	112.965 *	36.81 *	0.1659 *	—	5.519 *	136.22 *	145.95 y
Brussels(a)	40.26	68.40	20.4668	6.6668	3.0065 *	18.12	—	24.66	26.41 *
Frankfurt	2.359	3.346	—	32.585 *	1.4685 x	88.52 *	4.884 *	120.54 *	1.2715 *
London (b)	1.4185	—	3.33	10.32	2,266.00	3.754	62.16	2.7675	258.05
Milan	1,605.28	2,274.15	680.40	221.57	—	682.48	33.235	820.25	8.781
New York(c)	—	0.7045 ≠	2.3425	7.19	1,594.80	2.4485	47.98	1.8412	181.80
Paris	7.236	10.2665	3.0695	—	4.51 x	2.7175	14.999 *	3.7025	3.9966 *
Tokyo	181.38	257.70	77.37	25.19	11.38 *	68.49	377.80 *	90.82	—
Zurich	1.9495	2.7663	82.99 *	27.02 *	0.1218 *	78.36 *	4.9467 *	—	1.0782 *
1 ECU	0.9192	0.6482	2.1637	6.6401	1,472.98	2.445	44.3812	1.7952	147.748
1 SDR	1.12581	0.79394	2.65579	8.14636	1,807.21	2.9997	54.3316	2.2032	204.672

Closings in London and Zurich, fixings in other European centers. New York rates at 4 P.M.
(a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (*) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available.
(≠) To buy one pound: $U.S.1.4195

Other Dollar Values

Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$
Argen. austral	0.80	Fin. markka	5.288	Mex. peso	468.00	Soviet ruble	0.7365
Austral. $	1.4522	Greek drac.	144.50	Norw. krone	7.334	Span. peseta	147.95
Austr. schill.	16.53	Hong Kong $	7.8055	Phil. peso	19.80	Swed. krona	7.4425
Belg. fin. fr.	48.34	Indian rupee	12.4533	Port. escudo	152.50	Taiwan $	39.24
Brazil cruz.	12,480.00	Indo. rupiah	1,127.00	Saudi riyal	3.6588	Thai baht	26.395
Canadian $	1.395	Irish £	0.777	Sing. $	2.1415	Turkish lira	585.40
Chinese yuan	3.2079	Israeli shek.	1.486	S. Afr. rand	2.1053	UAE dirham	3.6725
Danish krone	8.479	Kuwaiti dinar	0.2898	S. Kor. won	889.06	Venez. boliv.	17.40
Egypt. pound	1.30	Malay. ringg.	2.46				

£ Sterling: 1.1008 Irish £
Sources: Banque du Benelux (Brussels); Banco Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

Markets Closed

All U.S. financial and commodity markets and banks will be closed Monday for the observance of George Washington's Birthday.

Occidental Agrees to Sell Gas Pipeline As Part of Acquisition of MidCon

By Nathaniel C. Nash
New York Times Service

WASHINGTON — Occidental Petroleum Corp. has agreed to sell a 2,200-mile natural gas pipeline to stop the Federal Trade Commission from blocking its $3-billion acquisition of MidCon Corp., one of the largest natural gas pipeline companies in the United States.

Occidental signed a consent agreement Friday with the FTC to divest Mississippi River Transmission Corp. within one year. The agreement came one day after the commission voted unanimously in a closed meeting to require the divestiture before approving the consolidation.

The unit, which stretches from several points in the Gulf of Mexico to St. Louis, Missouri, sells about 90 percent of the natural gas in the St. Louis area. It accounts for only a small portion of the MidCon system, however, representing only 7 percent of the company's $7.2 billion of sales, and 8 percent of the company's 30,000 miles (48,480 kilometers) of natural gas pipelines.

The FTC said that since Mississippi River Transmission had a monopoly pipeline service in St. Louis, a combination with Occidental Petroleum's large resources of natural gas could enable the company to artificially inflate the price of natural gas.

In a statement, the FTC noted that the consent agreement did not preclude the commission from "continuing its investigation of the acquisition or from taking further action."

On Jan. 1, Occidental announced an offer to buy half of MidCon's 41.5 million shares outstanding for $75 in cash and the rest for 2.2472 shares of Occidental common stock.

Weakened Firms Slow London's Spot-Oil Trading

By Steve Lohr
New York Times Service

LONDON — The threat of default by several trading companies is disrupting the world's most active spot-oil market, based here, with the volume of trading slowing to a trickle last week.

Facing huge losses because of the recent oil-price slide, some trading companies have so far been either unable or unwilling to honor their obligations to buy or sell oil. The resulting confusion has brought trading in the London spot-oil market to a virtual halt.

However, the immediate crisis should not disrupt the global oil market or seriously threaten the London-based spot market, whose North Sea Brent crude is a benchmark for world oil prices.

The turmoil, according to traders and analysts, is linked to the huge growth in trading volume, the unexpectedly sharp fall in oil prices and to practices on the unregulated market here. Last week's troubles, they agree, also signal the start of a shakeout among the traders operating in the London market, with many smaller companies affected first.

The spot market is not an auction market; the transactions are made party-to-party, largely in "gentlemen's agreements" by telephone or telex. The contracts to buy or sell a single cargo change hands dozens of times in complex transactions the industry calls "daisy chains." A seller may thus be unable to deliver because another firm in the chain has not delivered.

It also appears that some selling firms made multiple commitments, believing that they eventually could settle them all. Such multiple commitments would magnify the consequences of a break in the chain.

Given the steep fall in spot oil prices, the buying firms, too, may now be reluctant to settle and take sizable losses. In some cases, settling commitments made at much higher prices would prove painful for both parties in the transaction, so a number of players in the market may be using the turmoil to delay settlement, hoping that the terms can be renegotiated.

Finally, the tumult in the marketplace, with trading at a furious pace, has increased the likelihood that some trades somewhere in the chains have simply been mishandled.

Sorting out just who is to blame for any trader's failure to deliver a contract or cargo is not easy. Cargoes today typically are sold and resold 40 or more times. Employees in some oil-company trading departments have been working full-time for two weeks trying to unravel the skein of transactions.

"This shows some of the problems and limitations of the spot oil markets, which have mushroomed in recent years," said Tom Wallin, London editor of Petroleum Intelligence Weekly, a trade publication. "But there should be no impact on overall supply and demand."

There are several disputed cases here. The biggest surfaced this past week with charges by Gatoil SA, a Swiss company, that traders cannot deliver about $75 million worth of oil that they agreed to sell to Gatoil. The case also illustrates the pressures on participants in the spot market during a period when prices have tumbled to roughly $17 a barrel from about $30 a barrel in November.

Gatoil, for instance, was a buyer of oil for delivery in February at prices much higher than the current level. If it took delivery at the agreed terms, it could lose several million dollars. Armed with its allegations that others cannot deliver the oil, Gatoil now wants to negotiate new terms, which will reduce its losses. "It looks like Gatoil is trying to wriggle out of its losses," one trader said.

The players in the London spot-oil market include major oil companies, such as British Petroleum, Shell and Exxon.

Little U.S. Impact Seen in Japan Car Export Limit

By Warren Brown and John M. Berry
Washington Post Service

WASHINGTON — Japan's decision to renew quotas on its automobile exports to the United States will have little impact, according to industry observers, because the stronger yen and other market forces make it unlikely that the Japanese will sell enough cars to bump up against the limits.

Many Japanese-nameplate cars already are made in the United States and are not subject to the quotas. But industry officials and analysts said that for Japanese automakers to sell enough made-in-Japan cars to hit the limits, they would have to overcome not only higher prices that result from the growth of the yen, but also a rising tide of competing imports from South Korea, Eastern Europe and Taiwan.

"The quotas are becoming irrelevant," said David Cole, director of the Office for the Study of Automotive Transportation at the University of Michigan.

Mr. Cole and others made their comments after Japan announced Thursday that it would hold car shipments to last year's level of 2.3 million units. The decision, Mr. Cole said, "does not change the movement of the domestic car market at all."

That movement is toward a consumer-driven market, characterized by an oversupply of cars, huge auto-production capacity, sales incentives and relatively moderate price increases, Mr. Cole said.

In such a market, competing auto companies tend to be more concerned with market share than profit. That, perhaps, is why Japanese automakers are accepting moderate price increases on their 1986 models despite a sharp increase in the strength of the yen, Mr. Cole and other analysts said.

The average value of the yen during both 1983 and 1984 was about 237 to the dollar. The yen bottomed out at 260 in February 1985, but by Friday, it had risen to 181.35 in Tokyo.

Meanwhile, Japanese automakers have raised their export prices by about 6 percent, not nearly enough to offset the decline in the number of yen that they earn from a sale.

Prices on 1986 Japanese cars sold in the United States have risen an average of $400 over comparably equipped 1985 models. Some analysts said that an estimated $111 of that increase was directly attributable to the increasing strength of the yen.

Japan's reluctance to go for higher increases does not represent an attempt to "dump" its cars on the U.S. market, said Robert McElwaine, president of the Washington-based American International Automobile Dealers Association, which represents about 7,000 franchised foreign-car dealers in the United States.

"The Japanese are worried about market share," Mr. McElwaine said.

The Japanese held 20.1 percent of the U.S. auto market last year, compared with 18.4 percent in 1984. But aggressive sales-incentive campaigns begun by domestic automakers in mid-1985 have helped keep the Japanese market-share growth down.

That kind of pricing pressure against Japanese cars eventually will be aggravated by the influx of $6,000-range subcompacts from Korea and Taiwan. Some analysts believe that the trickle of those cars eventually will grow into a river that will push both the Japanese and the Americans out of the economy-car market.

Japanese automakers can now produce as many as 500,000 cars a year in the United States and that may increase to 1.5 million by 1990. Korean automakers say that if their initial sales succeed here, they will build plants as well.

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of New York

Present
during the month of February
their latest collection
at
the Palace Hotel in Gstaad
and
the Badrutt's Palace in St Moritz

NEW YORK GENEVA PARIS MONTE CARLO

International Bond Prices

(Continued from Page 6)

[illegible]

FOREIGN TARGETED BONDS OF THE US TREASURY AND OF ITS AGENCIES

[illegible]

DM STRAIGHT BONDS

AUSTRALIA

[illegible]

AUSTRIA

[illegible]

BELGIUM

[illegible]

CANADA

[illegible]

CHINA

[illegible]

DENMARK

[illegible]

FINLAND

[illegible]

FRANCE

[illegible]

GERMANY

[illegible]

HUNGARY

[illegible]

ICELAND

[illegible]

INDIA

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IRELAND

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JAPAN

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LUXEMBOURG

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MEXICO

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MISCELLANEOUS

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NETHERLANDS

[illegible]

NEW ZEALAND

[illegible]

NORWAY

[illegible]

PORTUGAL

[illegible]

SOUTH AFRICA

[illegible]

SOUTH AMERICA

[illegible]

SPAIN

[illegible]

SUPRANATIONAL

[illegible]

SWEDEN

[illegible]

SWITZERLAND

[illegible]

UNITED KINGDOM

[illegible]

UNITED STATES AMERICA

[illegible]

NASDAQ National List

OTC consolidated trading for week ended Friday.

[illegible]

CONVERTIBLE BONDS

EUROPE

[illegible]

JAPAN

[illegible]

MISCELLANEOUS

[illegible]

UNITED STATES AMERICA

[illegible]

HIGHEST CURRENT YIELDS

On convertibles having a conversion premium of less than 10%.

$	50	Nat Overseas 1119.56	10½ '94 Jul	166	1 Nov 84	26 Jul 94	nz$ 1.500	nz$ 1.678	9.46	[illegible]
$	200	Beatrice Fin 27.37	10¼ '94 Sep	122	15 Sep 85	maturity		$ 36 5/8	2.07-	3.05
$	15	Massmutual Mtge 50.00	8 '94 Jul	94	30 Sep 81	maturity		$ 20	4.20-	9.17
$	15	Dynalectron Intl 81.83	9½ '95 May	117½	9 Sep 80	maturity		$ 12.220	1.80-	1.71
$	50	South Calif Edi 61.78	12½ '97 Aug	164½	7 Jan 83	maturity		$ 16.188	4.01-	7.19
$	50	Sumitomo Metal Indust	7 '95 Sep	96	2 Feb 81	20 Sep 95	Y 175.70 –	150.656	3.31	3.57
$	80	Cadbury Schweppes	8 '00 Dec	120	15 Jan 86	8 Dec 00	p 182 –	p 120.207	2.86	5.17
$	50	Great Western 30.38	7½ '98 Jun	121¼	28 Dec 83	maturity		$ 33	1.94	2.24
$	50	Uwair Finance 28.67	7 '98 Sep	115¼	15 Mar 84	maturity		$ 34 7/8	7.98	.32
$	50	Kinder-Care Int 55.07	6¾ '98 Aug	108	15 Aug 83	maturity		$ 18.160	8.21	3.31
$	75	Gillette O/s Fi 16.52	8 '00 Mar	149½	1 Mar 83	maturity		$ 54	.34-	3.42
$	50	Ina O/s Finance 23.81	8¾ '00 Sep	156	1 Apr 81	25 Aug 00		$ 42	5.90-	3.81
ff	500	Michelin 3.65	7¾ '00 Jan	131	2 Jan 86	2 Apr 00		ff 1080.890	6.38	3.17
$	40	Olympus Optical Co	6¾ '97 Oct	127½	7 Dec 82	24 Oct 97	Y 1152.40 –	824.591	.37-	1.18
$	60	Pirelli Fin Services	7 '95 Jun	128	6 Aug 85	22 Jun 95		$ 141.000	13.40-	3.59
$	50	Limited Inc 31.25	6¾ '00 Aug	124½	15 Aug 85	maturity		$ 32	7.48	.43
$	25	Penney Jc Europ 18.47	6 '99 Dec	111	1 Jul 70	maturity		$ 53.539	1.17	4.82

Explanation of Symbols

CN$	Canadian Dollar	SDR	Special Drawing Rights
ECU	European Currency Unit	Y	Yen
EUA	European Unit of Account	LFR	Luxembourg Franc
L	Pound Sterling	SFR	Swiss Franc
DM	Deutsche Mark	FF	French Franc
NMD	Norwegian Kroner - DM		

Herald INTERNATIONAL Tribune

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New Eurobond Issues

Compiled by Laurence Desvilettes from information supplied by European bond traders.

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
FLOATING RATE NOTES						
Christiana Bank	$100	1991	libor	100	99.80	Coupon will be 17¼% less 6-month Libor. Noncallable. Fees 0.25%. Denominations $10,000.
Neste Oy	DM 200	1996	1/16	100	99.70	Over 6-month Libor. Callable at par in 1991. Fees 0.40%.
FIXED-COUPON						
Austria	$102	2006	9½	100⅛	98.75	Noncallable. Fees 2⅛%.
Banca Nazionale del Lavoro	$100	1991	8¾	100¼	98.38	Noncallable. Fees 1⅞%.
Colgate-Palmolive	$100	1996	9½	100½	100.50	Callable at 102 in 1992. Fees 2%.
Export Development Corp. of Canada	$100	1992	8½	99¾	98.75	Callable at 101 in 1990. Fees 1⅞%.
Gannett	$100	1996	8⅜	100	—	Redeemable at par in 1990, but will pay 9⅛% during the last 6 years. Noncallable. Fees 1⅝%.
General Motors Acceptance Corp.	$200	1996	9⅛	100⅝	98.63	Noncallable. Fees 2%.
Ireland	$150	1996	9⅜	100¼	98.25	Noncallable. Fees 2%.
Sterling Drug	$100	1996	8⅞	100½	98.63	Noncallable. Fees 2%.
Swedish Export Credit	$200	1991	8⅝	100⅜	98.88	Noncallable. Fees 1⅞%.
Unilever Capital	$150	1998	8⅞	100	97.75	Noncallable. Fees 2⅛%.
Xerox Credit	$100	1991	8⅝	100⅜	98.88	Noncallable. Fees 1⅞%.
Euro-DM Securities	DM 211.76	2001	zero	37.80	38.35	Yield 6.70%. Noncallable. Proceeds 80 million marks. Fees 3½%.
Euro-DM Securities	DM 211.76	2006	zero	27.85	28.35	Yield 6.60%. Noncallable. Proceeds 59 million marks. Fees 3½%.
Euro-DM Securities	DM 211.76	2011	zero	20.95	21.25	Yield 6.45%. Noncallable. Proceeds 44 million marks. Fees 3½%.
Euro-DM Securities	DM 800	2016	zero	15.95	16.60	Yield 6.31%. Noncallable. Proceeds 127 million marks. Fees 2½%.
General Motors Acceptance Corp. Finance	£ 50	1991	11	100⅝	99.00	Noncallable. Fees 1⅞%.
Swedegas	DK 200	1991	9⅜	100¼	99.25	Noncallable. Fees 1⅞%.
European Investment Bank	ECU 180	1993	8⅝	100¼	98.50	Noncallable. Fees 1⅝%.
BMW Finance	Aus$ 75	1996	13¾	100½	98.25	Callable at 101½ in 1991. Also 75,000 warrants, priced at Aus$50 each, exercisable after 1991 into an identical, noncallable bond. Warrants will pay an 13¾% anual interest in the first 5 years and will be redeemed at Aus$25 at maturity if not exercised. They ended the week at Aus$54. Fees 2⅛%.
Lloyds Bank NZA	Aus$ 50	1989	14⅝	100⅜	98.75	Noncallable. Fees 1½%.
Norsk Hydro	Aus$ 65	1991	14	101	99.00	Noncallable. Fees 2%.
American Express Credit	Y 20,000	1996	8	101	100.00	Noncallable. Redemption amount at maturity will be above par if the dollar/yen exchange rate is more than 171.30 yen per dollar, and below par if the rate is less than 171.30 yen. Fees 2%.
Postipankki	Y 10,000	1996	6⅝	100¾	99.50	Noncallable. Fees 2%.
EQUITY-LINKED						
Fairmont Financial	$ 20	2001	open	100	—	Coupon indicated at 7 to 7¼%. Redeemable in 1991 to yield 9½ to 9⅝%, and callable at 104 in 1991. Convertible at an expected 16 to 20% premium. Fees 2%. Terms to be set Feb. 20.
Générale Occidentale	$ 80	1993	open	100	—	Coupon indicated at 6½ to 6⅝%. Callable at par in 1987. Each $1,000 bond with one 5-year warrant, exercisable into company's shares at an expected 10% premium. Warrants may be exercised with cash or with bond. Fees 2¼%. Terms to be set Feb. 17.
Hawley Group	$ 80	2001	open	100	98.50	Coupon indicated at 8½ to 9%. Callable at par in 1993 and redeemable in 1993 to yield 10%. Convertible into company's shares at an expected 20 to 25% premium. Fees 3½%. Terms to be set Feb. 17.
Mitsui Bank	$100	2001	2⅝	100	98.50	Semiannually. Callable at 103 in 1991. Convertible at 1,019 yen per share and at 185.30 yen per dollar. Fees 2½%.
Deutsche Bank Finance	DM 710	1996	6¼	120	130.00	Noncallable. Each 5,000-mark bond with 2 one-year warrants exercisable into 7 Deutsche bank's shares at 793 marks per share. Fees 2½%.
Optec Dai-Ichi Denko	DM 70	1991	2¼	100	—	Noncallable. Each 5,000-mark-bond with one warrant exercisable into company's shares at 691 yen per share and at 78.93 yen per mark. Fees 2½%.
WARRANTS						
Bergen Bank	0.10	12 mos	—	$17½	—	Warrants exercisable into an Aus$-deniominated, noncallable bond, paying 14% and due 1991. Exchange rate set at 0.70 Aus$ per U.S. dollar. Fees $1½.

Yields Lowest Since '79 as Buyers Avoid Further Fall

By H.J. Maidenberg
New York Times Service

NEW YORK — Yields on Treasury bonds have plunged to their lowest levels since August 1979 as investors rushed to lock up current long-term yields before they sink any further.

One result was that the yield on the bellwether long bond, the 9.25-percent issue of 2016, fell as low as

U.S. CREDIT MARKETS

8.91 percent, its lowest level since Aug. 22, 1979, before closing Friday at 8.93 percent on a late ripple of selling.

Discount rates on Treasury bills also fell. Dealers attributed this to Friday's action by the Federal Reserve to drain reserves from the banking system by effecting four-day matched sales. These reverse repurchase agreements served to bolster prices of bills and other short-term debt instruments, dealers noted.

Next Wednesday, the Treasury will auction $9.5 billion of two-year notes at its regular monthly sale of this maturity. The issue was traded on a when-issued basis Friday at a price to yield 7.89 percent.

In late trading in the secondary market for Treasury issues, the discount rate on the 90-day bills dropped 11 basis points at 6.98 percent; the companion six-month issue eased two basis points at 7.07 percent, and the one-year bill rate fell five basis points at 7.07 percent.

At the long end of the Treasury debt market, the 9⅜s of 2006 rose a stunning 1 15/32 at 102 19/32 for a yield of 9.09 percent, and the benchmark long bond, the 9¼s of 2016, advanced an equally strong 1 6/32 at 103 9/32 and now yield 8.93, compared with 9.05 percent the previous day and 9.30 percent a week ago.

"The long-term bond market has been responding all week to economic data that show a less than robust economy and a remote chance of an inflationary revival in the foreseeable future," said Maria F. Ramirez, money market economist at Drexel Burnham Lambert.

"When the bond market continued to forge ahead, ignoring the usual pre-holiday caution," she said, "many of the waiting investors decided to buy before yields declined further."

U.S. Consumer Rates
For Week Ended Feb. 14

Passbook Savings	5.50 %
Tax Exempt Bonds Bond Buyer 20-Bond Index	7.62 %
Money Market Funds Donoghue's 7-Day Average	7.34 %
Bank Money Market Accounts Bank Rate Monitor Index	6.70 %
Home Mortgage FHLB average	11.48 %

Euro-CP Conduit Issue Expected

By Carl Gewirtz
International Herald Tribune

PARIS — The international credit market will see the first conduit Euro-commercial paper facility launched this week.

The conduit will be Bankers Trust GmbH on behalf of an Italian state borrower whose identity has not yet been divulged. The West German unit of the U.S. bank previously has served this function in the Eurobond market, issuing bonds on behalf of Isveimir, the development bank for southern Italy.

In both cases, the conduit is used to enable Italian borrowers to raise funds abroad free of domestic taxes.

Bankers Trust will be the nominal issuer of the $200-million pass-through commercial paper, but the obliger will be the Italian entity.

Also expected to tap the market shortly, for as much as 600 million European currency units, is Eutelsat, the European television satellite consortium that currently is asking banks to submit bids on terms.

Algeria also is expected to tap the market through a standard syndicated credit of $500 million. However, a cabinet shuffle in Algiers last week and continued haggling over terms is expected to slow the arrival to the market.

The major new business announced last week was Sumitomo Trust & Banking Co.'s plans to launch as much as $750 million in certificates of deposit. The program is not underwritten, meaning that the dealers — Salomon Bros., Bankers Trust and Lehman Bros. — will market the paper on a best-efforts basis.

Household Finance, the U.S.-based consumer finance concern, announced that it will begin issuing as much as $300 million in Euro-commercial paper beginning next month with Citicorp, Merrill Lynch and Union Bank of Switzerland acting as dealers.

Sandvik AB, the Swedish ma-

INTERNATIONAL CREDIT

chine-tool maker, has named Merrill Lynch and Enskilda Securities to market as much as $200 million of commercial paper.

Also coming to the market, for a £200-million, five-year revolving credit, is Abbey National Building Society. It is expected to fully draw the credit within 18 months and will pay ¼ point over the London interbank offered rate — terms that are considered to be very low. If less than half the amount is drawn, it will pay a commitment fee of 3.125 basis points on the undrawn portion.

ABC Group-U.K. Properties, owned by Bahrain-based Arab Banking Corp., is tapping the market for a seven-year loan of 140 million Deutsche marks. It will pay ¼ point over Libor for the first five years and ⅜ point over Libor thereafter. Banks will be paid a commitment fee of ⅛ percent on undrawn portions and a front-end commission of 20 basis points for underwriting 10 million DM.

Indonesia has awarded a mandate to a group of four Japanese banks for a 100-billion-yen, 10-year syndicated loan. Lead manager Bank of Tokyo said that it consists of a 60-billion-yen domestic loan, with interest set at 10 basis points over the domestic long-term prime rate, and a 40-billion-Euroyen loan with interest at ⅛ point over three- or six-month Libor.

The pricing on the domestic portion was considered to be in line with market conditions while that on the Euroyen segment was regarded as tight.

Société Lyonnaise de Banque, which tapped the market for a $50-million facility that included the first provision for swapping credit lines between issuer and underwriters, raised more than $110 million in syndication and has decided to increase the facility to $60 million.

Standard Life, the British insurance company, also will be increasing its £175-million, seven-year loan. Lead manager Citicorp said that the loan was substantially oversubscribed and would very likely be increased.

Meanwhile, the controversial $500-million credit for Belgium, boycotted by the Belgian banks because of the low fees, has been fully subscribed, lead manager Morgan Guaranty Trust reported. Belgium will pay 6¼ basis points over Libor to draw the loan for the first four years and 12½ basis points over Libor for the final three years.

MCI Expansion Approved

The Associated Press

WASHINGTON — The Federal Communications Commission has approved transferring control of IBM's Satellite Business Systems to MCI Communications Corp.

Fed's Minutes Show Agreement To Ease Credit

New York Times Service

WASHINGTON — The Federal Reserve's main policy-making body decided at its December meeting to ease credit conditions significantly, according to minutes of the session.

The 12-member Federal Open Market Committee slightly raised its target for growth in the money supply and said it "seeks to decrease somewhat" the pressure on the reserve positions of banks.

Analysts said that Friday's report on the Dec. 16-17 meeting confirmed suspicions that monetary policy had been relaxed and that the key federal funds interest rate could now be expected to decline.

The committee's report said that the plan to decrease pressure on reserve positions is "expected to be consistent with growth in M-2 and M-3 over the period from November to March at annual rates of about 6 percent to 8 percent; while the behavior of M-1 continues to be subject to unusual uncertainty, growth at an annual rate of 7 percent to 9 percent over the period is anticipated."

M-1 consists of cash and checking accounts. M-2 comprises M-1 plus savings accounts and bank money-market accounts. M-3 is a broader measure still.

Morgan Stanley Filing Reveals Financial Status

By Daniel F. Cuff
New York Times Service

NEW YORK — Morgan Stanley & Co., the investment banking house that plans to go public, has issued a prospectus for the sale of its stock and thereby unlocked a wealth of hitherto guarded financial information about the company.

The venerable investment firm said that its net income reached $105.9 million in 1985, a gain of 72.9 percent from 1984.

Revenues also increased substantially in recent years, the firm said. In 1985, revenues were the highest in the company's history, amounting to $1.795 billion, an increase of 33.9 percent from the year before.

The return on average equity was calculated at 37 percent in 1985, 29 percent in 1984 and 28 percent in 1983.

Morgan Stanley issued the prospectus in connection with the filing on Friday with the Securities and Exchange Commission for an initial public offering of 4.5 million common shares. No price per share was given, but in a section explaining dilution of stock an assumed price of $46 a share was used.

An additional 675,000 shares may be issued to cover over-allotments by underwriters, Morgan Stanley said.

The public offering is expected to raise more than $200 million. Shares are expected to begin trading on the New York Stock Exchange by mid-April.

Morgan Stanley said that a main purpose of the offering was to make its equity capital base permanent and to increase it. Proceeds will be used to finance the growth of the company's businesses in the United States, Europe, and the Far East, Morgan Stanley said.

None of the shares to be offered will be sold by existing stockholders, the investment firm said.

After the sale, managing directors and principals still will collectively own 81 percent of the common stock outstanding.

The prospectus showed that S. Parker Gilbert, chairman, received cash compensation of $1.5 million in 1985, not including $30,000 from a deferred profit-sharing plan. Richard B. Fisher, president, received cash compensation of $1.45 million, and two managing directors, Lewis W. Bernard and Robert F. Greenhill, both received $1.375 million.

In pointing out its need for more capital, Morgan Stanley discussed increasing competition in the field from newcomers with substantial financial sources. It also cited competition from large commercial banks that want to get into the underwriting business.

As for the stock issue, the company said that the book value after the public offering would be $21.03. It currently is $15.03. Thus, purchasers of the stock would be paying a premium of $24.97 over the book value at the assumed offering price of $46 a share.

The prospectus also showed that principal transactions — those in which the top managing directors have substantial investments — increased sharply from 1983 to 1985, indicating that the principals were increasingly assuming risk.

Morgan Stanley was spun off J.P. Morgan & Co. in 1935.

SELECTED U.S.A./O.T.C. QUOTATIONS

	BID	ASK
Apollo Comp.	15¼	15½
Mr Gasket	8¼	8½
Bitter Corp.	5¾	6¼
Modulaire	12⅝	12⅞
Rodime	12⅜	12½

WITH COMPLIMENTS OF CONTINENTAL AMERICAN

Falling Dollar Alarms Foreign-Exchange Market

(Continued from Page 7)

for a security that will be redeemed for 1,000 DM. At the offering price, the paper yielded 6.7 percent. By Friday, the paper was quoted at 38.35-.45, a yield of 6.58 percent.

The 20-year offering, priced at 27.85 for a yield of 6.6 percent, ended the week at 28.35-.45 for a yield of 6½ percent.

The 25-year portion, offered at 20.95 for a yield of 6.45 percent, finished at 21.25-.35 to yield 6.37 percent.

The 30-year bonds, offered at 15.95 to yield 6.31 percent, finished at 16.60-.70 for a yield of 6.15 percent.

The roundabout structure gives the Bundespost 30-year funds, normally not available in the domestic bond market, at a cost that could otherwise not be achieved.

In the equity linked market, Deutsche Bank sold 710 million DM of 10-year bonds bearing two one-year warrants to buy seven shares at a price of 793 DM, a slight discount from the price then prevailing. The stock price subsequently slipped, ending the week at 775 DM, but this had no effect on the price of the bond, which ended the week at 130.

The bond issue, the largest yet seen, carried a coupon of 6¼ percent and a premium offering price of 120. That premium can be seen as giving the bank fixed cost money at a cost of 3.8 percent or as selling the shares at a higher price than the nominal 793 DM set on the warrants.

The 70-million DM equity-linked issue for Optec Dai-Ichi was in such demand that the coupon on the five-year paper, anticipated at 2½ percent, was set at 2¼ percent.

This week will see a pure equity issue with Banque Bruxelles Lambert, the second largest bank in Belgium, offering for sale internationally one million of its shares. The shares ended trading last week at 2,490 Belgian francs.

In the dollar market, only one issue was a clear success, Colgate-Palmolive's $100-million of 10-year bonds. These were priced at 100½ with a coupon of 9½ percent, yielding about 61 basis points over then prevailing Treasury yields. The increase in the offering price, initially indicated at 100¼, caused a storm of protest from syndicate managers, but the terms were still regarded as generous.

GMAC, Xerox, Sterling Drug and Unilever offered terms that initially were considered unattractive but by week's end, with prices in the New York bond market rising sharply, looked more appealing.

Especially noteworthy were two issues that were structured as a way to speculate on continued declines in interest rates.

Gannett, the U.S. publishing company, offered $100 million of 10-year noncallable paper called step-up put bonds. The coupon steps up: For the first four years it is set at 8⅜ percent and in the final six years at 9½ percent. Holders have a put option, giving them the right to request redemption after four years.

In essence, investors are asked to accept a somewhat lower return than they normally could expect during the first four years for the prospect of a much higher return, and possible big capital gain, in the later years if interest rates drop and the 9½ percent coupon becomes very generous. If that does not happen, investors can request early redemption.

Regardless of whether investors hold the paper for four years or stay for the full 10 years, the company will have paid less for its money than would otherwise have been possible. It will save an estimated ¼ percent, or 25 basis points, on the first four years and 50 basis points on what it would now have had to pay for 10-year money.

The same concept but a different formula, called a bull bond, was used by Christiania Bank, the second largest in Norway.

The notional coupon on its $100 million of five-year notes is 17¼ percent from which is subtracted the six-month London interbank offered rate, which was 8¼ percent when the issue was launched. Thus, the coupon for the first six months is set at 9 percent.

If short-term interest rates drop, the coupon paid increases. The major attraction on this issue is that it gives investors who normally buy floating-rate notes a way to earn capital gains if interest rates drop.

Imperial Group Drops Bid for United Biscuits

Reuters

LONDON — Imperial Group PLC, the British tobacco, beer and foods combine, has abandoned a bid for United Biscuits PLC after the government referred the agreed merger to the Monopolies Commission.

The Department of Trade said Friday that Geoffrey Kent, chairman of Imperial, had informed the commission that his company did not intend to proceed with its bid.

The ministry referred the £1.2-billion ($1.7-billion) merger proposal to the commission, saying the bid "raised sufficiently serious questions about its impact on competition" to justify investigation by the government body.

Imperial Group and United Biscuits, two of Britain's largest consumer product firms, agreed on the merger last year.

Imperial is itself the target of a £1.9-billion hostile bid from a financial concern, Hanson Trust PLC.

Hughes Tool Awarded $230 Million

By Robert Hanley and Jane Applegate
Los Angeles Times Service

LOS ANGELES — A federal judge has ordered Smith International Inc. to pay $230 million to Hughes Tool Co. to settle a 14-year-old patent infringement battle.

The award, which caps a complex and bitter battle between the two rival oil field service concerns, may be the largest awarded in any U.S. patent infringement case, according to lawyers for both sides.

Both sides were expected to appeal Friday's ruling.

Houston-based Hughes had sought $1.2 billion from Smith, based in Newport Beach, California, including virtually every penny of profit Smith earned on certain kinds of drill bits sold between 1973 and 1985.

But the $230-million award totaled nearly four times what Smith had hoped to pay and casts doubt on the company's future.

Three years ago, a U.S. appeals court ruled that Smith had infringed on a Hughes patent for a rubber seal used in rock drilling bits.

Ironically, the patent in question expired Aug. 20, 1985.

Judge Herbert Hupp held Smith liable for a 10-percent royalty equal to about $130 million. Interest on that amount was set at a AAA-bond rate going back to 1972. The judge said that Hughes deserved the estimated $100 million in interest as fair payment "for Smith's use of Hughes' money for all those years."

However, Judge Hupp did not award damages, saying that there was no bad faith or willful infringement on Smith's part.

The $230-million judgment is more than half of Smith's entire shareholder's equity of $399.2 million as of last June, the latest date for which figures are available. Until the ruling, many oil industry analysts said that anything much higher than $60 million would seriously jeopardize Smith's future as an independent company.

"We don't even know what it means yet," said Smith's chairman, Jerry Neely. "We'll have to go back and analyze it."

After the ruling, Smith common stock fell to a new low of $3 a share on the New York Stock Exchange, the day's biggest loser. Although volume was a relatively light 341,600 shares, the stock lost $1.375 a share, or 31 percent of its price. The $3 close compares with the stock's most recent 52-week high of $14.25.

Hughes closed at $11 a share, unchanged for the day on light volume of 180,000 shares in trading on the NYSE.

"Considering the state of the oil industry, Smith's debt picture and cash-flow projections for the next three years, I wouldn't be surprised to see them elect to go into bankruptcy," said Jeff Freedman, an analyst with the New York investment company of Smith Barney, Harris Upham.

Although some analysts suggest that Smith units could be shaved off to pay Hughes, the two companies compete in an industry that already is depressed. And there is such bitterness between them, such an accommodation seems less likely, said Herbert Hart, an analyst for the San Francisco-based investment company of S.G. Warburg, Rowe & Pitman, Akroyd Inc.

"For one thing, Hughes has all the capacity it needs anyway," Mr. Hart said. "And there is such ill feeling between the two groups of individuals involved."

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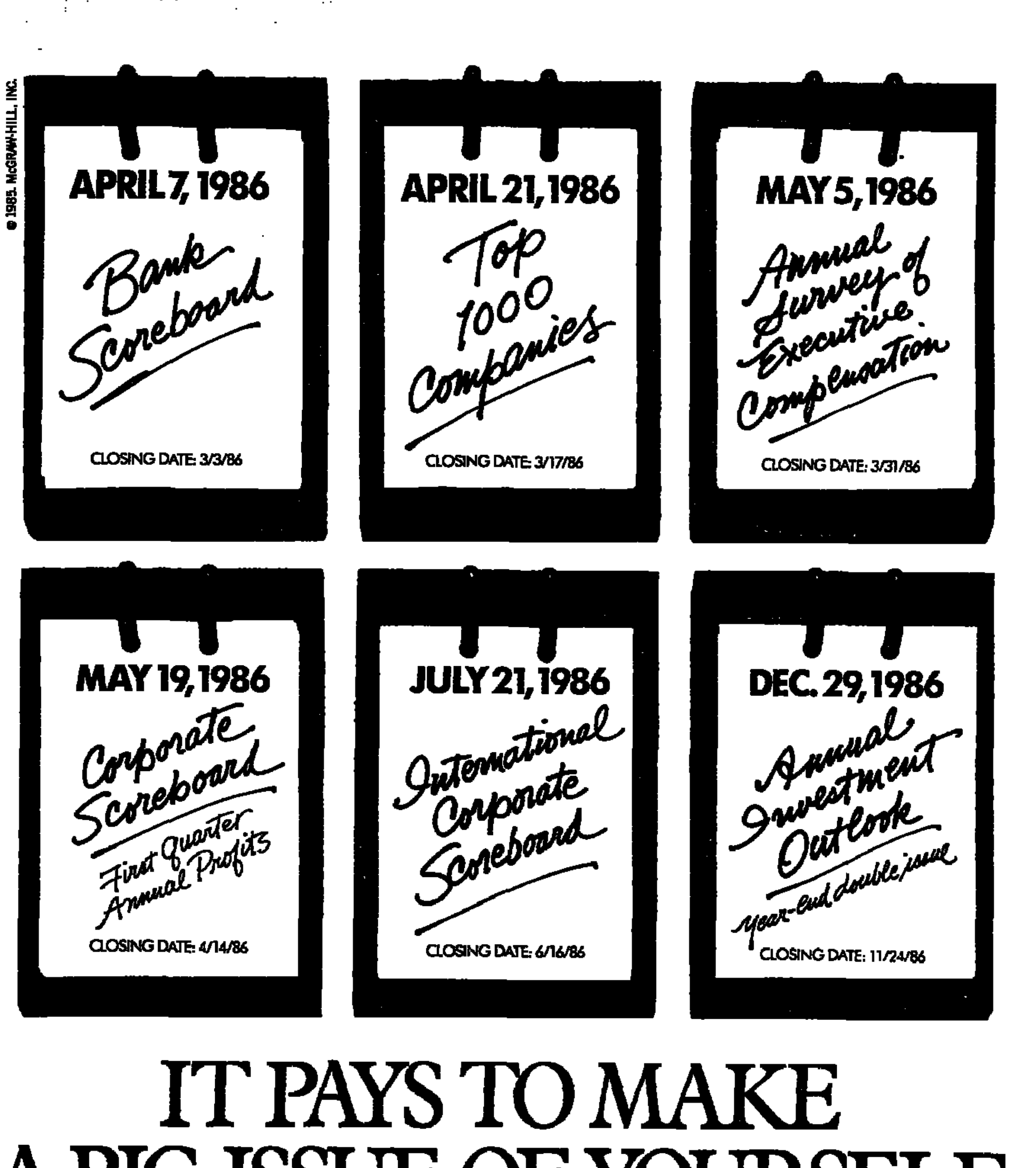

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NASDAQ National Market

OTC Consolidated trading for week ended Friday.

	Div.	Yld.	Sales in 100s	High	Low	Close	Net Ch'ge
A							
A&M Fd			408	10½	10⅝	10⅝	
ABS	.40	2.7	60	14⅝	13½	14⅝	+1¼
ADC Tl			1108	25¼	24	25	+1
AEC	.32	2.9	156	11⅞	11	11	—1
AEL			503	15	14	14½	
AFG			2288	30	28⅝	30	+1¼
ALC Cm			7464	10	9⅜	9⅝	— ¼
ASK			16387	14½	12⅝	14½	+2¼
AST			4383	26⅜	23½	25¼	+1⅝
AT&E			1432	16⅜	15¼	16	+ ⅛
ATE			222	4⅝	4½	4⅝	
AamRt			2139	17	16	17	+1
AcaJos			2383	7⅛	6⅝	6⅝	— ¼
Acadin	.05r	2.5	3706	2⅛	1⅞	2	— ⅛
Acelrtn	t		738	15¼	14½	14½	— ¾
AcuRay	.24	1.0	4658	25½	22⅝	25¼	+2⅝
Acelo	.07r	.4	537	18⅞	17⅜	18⅝	+1
ACMAT			72	22½	20⅝	20½	—1½
Aclvsn			3818	1⅞	1⅞	1⅞	
Aclmd s			509	27½	25	27½	+2¼
AdoclLb			1598	1¼	1⅛	1⅛	— ⅛
Adage			775	4⅝	4½	4¼	
AdlsnW	.80	2.2	172	35⅝	34⅝	35⅝	+1
Adlo	.12	.5	1161	24	23¼	23½	
AdvClr			4832	10¼	8⅝	9½	+ ⅛
AdCol			827	5¼	3⅞	5¼	+1⅜
AdvGen			907	5⅜	5½	5⅜	
AdvSem			2274	12	11	11¼	+ ½
AdvTel			2447	9¾	9⅛	9⅜	— ¼
Aequlrn			697	4¾	4⅝	4⅝	
Aegon	.36e	.9	853	40	39	39½	— ½
AerSys l			923	2¼	2⅛	2⅛	+ ⅛
AflBcp	1.00	4.5	18	17¼	15½	15½	—2
AflBsh	.80	5.2	889	16	15¼	15¼	— ¾
AgcyR s	t		924	28½	27⅝	28½	+ ¾
Agnico g	.15		1142	16¾	15⅝	15⅞	— ⅜
AirCrg s			1704	8¼	7⅛	7½	+ ¼
AirMd	.10e	1.2	2107	10⅝	8⅝	8½	—1⅝
AirWisc			1095	14¼	13⅛	13⅛	—1
AlaFdl			730	21	19	19⅝	
AlskBc	.26e	5.2	103	5	4½	5	+ ½

	Div.	Yld.	Sales in 100s	High	Low	Close	Net Ch'ge
AsdHst	.12	1.4	1408	9½	8	8½	— ¼
AstroM			244	10⅝	9⅝	10⅝	+ ⅜
Astrcm			306	3⅝	3½	3⅝	
Astron s			65	10⅝	9⅞	10¼	+ ¼
Astrosy			763	7⅞	7⅛	7⅛	— ⅜
Atcor	.44	1.7	1227	25⅜	23	25⅜	+2
AthnF s			148	22¼	21⅜	22	+ ¼
Athey s	1.52t	9.2	1061	19	15	16½	—1⅝
AtlcoF	.10e	.6	692	16¼	15½	16	+ ¼
Atkinsn			1194	19¼	18½	18½	— ¾
AtlGsLt	2.80	7.1	4078	39½	38⅝	39⅝	
AtlAm s	.24	1.6	407	15¼	13⅝	15	+1½
AtlnFd			985	12⅝	11⅞	12⅝	+ ½
AtlFin	.05e	.3	10653	18⅝	15⅝	17	+ ⅝
AtlF pf	1.05	7.1	4679	16⅝	14½	14⅝	— ½
AtlPr h			1411	11⅝	10	10	— ⅜
AtlRes s			2882	26¼	25⅝	26¼	+1
AtlSeAr			6272	13⅝	11⅞	13¼	+ ⅞
AudVd s			7431	21⅝	20	21½	+1½
Austron			164	3½	3⅜	3⅜	
AtwdOc			279	14⅝	14⅛	14¼	— ¼
AutTrT	t		449	4⅝	4¼	4⅝	+ ⅛
Autoclv	.16	1.9	29	8⅝	8½	8½	
Autodsk			4325	29⅝	23¼	29⅝	+6½
AutMed	t		260	3⅞	3⅝	3⅝	— ⅛
AutoSy			981	10⅝	9¾	10¼	
Autmtx			2571	3⅝	3⅝	3⅝	— ⅛
AutoCp	t		232	9¼	8½	8⅝	— ⅜
Auxton			885	9⅝	8¾	9	+ ⅛
Avacre			1452	16⅝	14⅝	15	—1½
AvntGr			687	5⅝	5	5½	— ¼
Avntek			9605	19½	17⅛	19¼	+1⅞
Avatar			314	21⅞	21⅛	21⅞	
AztcM	.28	6.2	489	3½	3¼	3¼	— ⅛
B							
BBDO	2.20	4.2	1228	52¼	49⅝	52¼	+2½
BGS			122	13¼	12¼	12⅝	+ ⅛
BIW Cb	.10	1.1	839	9¼	8½	9¼	+ ¼
BNH Bnc			16	35	33	35	+2
BPI Sy			849	3⅝	3⅛	3⅛	— ⅛
BRCom			1110	9¼	9	9¼	+ ¼
BR Intec			1217	18⅝	17	18½	+1⅝

	Div.	Yld.	Sales in 100s	High	Low	Close	Net Ch'ge
ApldMl			4209	28⅝	25⅝	27¼	+1¾
ApldSlr			21	9¼	9	9	— ¼
ArabSh			46	4½	3⅞	3⅞	— ½
Archive			1313	8⅞	8⅝	8⅝	+ ⅛
ArgoSy			1064	20⅝	20¼	20⅝	— ⅛
ArizB	.88b	1.9	614	41¾	41½	41¾	+ ¼
ArkRst			1734	12⅝	9⅝	12	+2⅛
Arnold	.60	1.2	10	49½	47	49½	+ ½
ArowB s	1.92	2.8	15	68	42	68	+6
Artel			256	5¾	5½	5½	— ¼
Ashton			18777	23⅝	22	23	+1
AsdBc s	.44	2.4	306	19½	18½	18½	—1
AsCmA			509	36⅝	31¾	36⅝	+4⅝
AsCmB			120	36	31¾	36	+4⅝
AssdCo	.10e	1.5	28	6⅞	6¾	6⅞	+ ⅛

Mutual Funds

Figures as of close of trading Friday

NEW YORK (AP)— The following quotations, supplied by the National Association of Securities Dealers, Inc., are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

	Bid	Ask
AARP Invst:		
CapGr	20.79	NL
GinlM	16.00	NL
GenBd	15.84	NL
GthInc	19.99	NL
TxFBd	16.10	NL
TxFSh	15.45	NL
ABT Midwest:		
Emrg	17.02	18.60
GthInc	12.57	13.74
IntGv	10.50	NL
LG Gvt	10.95	11.41
SecInc	11.18	12.22
UtilInc	14.47	15.81
ADTEK	11.42	NL
Acorn F	37.46	NL
Afuture	13.89	NL
AIM Funds:		
CvYld	12.86	13.75
Grnwy	10.54	11.27

	Bid	Ask
Bull & Bear Gp:		
CapitG	16.80	NL
Equity	11.99	NL
Golcn	10.33	NL
HiYld	14.67	NL
CalMun	10.40	NL
Calvert Group:		
Equity	20.68	NL
Inco	16.96	NL
Social	21.56	NL
TxF Lt	10.57	NL
TxF Lg	16.50	NL
WashA	17.68	NL
Calvin Bullock:		
BalShs	13.96	15.26
Grwth	19.88	21.73
Candn	7.63	8.34
DivShs	3.48	3.81
USGvt	12.54	13.20
AggGr	8.06	8.81
HiInco	10.74	11.58
MoInc	12.30	13.44
TxFre	10.87	11.41
Cappiello	13.90	14.48
CapITR	9.94	10.35
Cardnl unavail		
Cnt Shs	19.55	NL
Chart Fd	7.17	NL
Chp Dlr	11.91	NL
Chestnut	60.94	NL
CIGNA Funds:		
Agrsv	12.86	13.54
Grwth	14.30	15.05
HiYld	10.24	10.78
Incom	7.63	8.03
MuniB	8.19	8.62

(Continued on Page 11)

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

(Continued from Page 10)

Treasury Bills

Figures as of close of trading Friday.

Last Week's AMEX

Vol.		High	Low	Last	Chng.
Wicks ptA	9467	30	29½	29¾	+ ⅛
BAT In	9496	5	4⅞	4⅞	
KeyPh	7786	13½	12	12¾	— ¾
HmeG n	7338	27	24⅜	25½	—1⅜
GrtLkC	7148	37⅞	37	39¾	+2¼
GltCd pf	6770	3⅝	3	3⅝	
Oppenh	6729	10	7⅛	9¼	+2½
Halmi	6642	3⅞	3⅝	3⅞	+ ¼
Lionel	5914	8¼	7¼	7⅜	— ¼
HrnHar	5808	7⅞	6⅝	7¾	+1
EchoB g	5650	14⅝	13⅝	14	— ⅛
ChMA s	5647	19	18⅛	19	+ ⅝
NYTimes	5376	54	52¼	53⅝	+ ⅞
AlzaCp	5335	35⅝	31¾	34⅝	+1⅝
HudsFd n	5042	14⅛	12⅛	13⅞	+1⅞

AMEX Diaries

	This Wk	Last Wk
Advanced		442
Declined		351
Unchanged		133
Total Issues		926
New Highs		163
New Lows		45

AMEX Sales

	Sales Vol.
Total for week	63,490,080
Week ago	57,300,000
Year ago	51,080,000
Jan 1 to date	365,320,080
1985 to date	332,220,080
AMERICAN BONDS ▪	
Total for week	16,320,000
Year ago	12,120,080

Last Week's NYSE

Vol.		High	Low	Last	Chng.
Schlmb	55195	32¾	29½	30	—1⅞
GlfStUt	53409	15	13⅛	13⅞	— ½
PanAm	53045	9½	8⅛	8⅝	— ½
BnkAm	52547	13⅝	12¼	13½	+1
USSteel	50372	22⅞	21¾	22⅝	+ ¾
FordM	48847	70½	64⅝	70¼	+5⅞
Mobil	47393	28⅞	27¼	28⅝	+ ½
Sears	47264	42	39⅞	42	+1¾
FedNM	45893	30⅞	26⅝	30⅛	+3⅝
Tandy	44764	40¼	38⅛	39⅛	— ⅞
Chryslr	42698	54¼	49⅞	52½	+3⅞
Exxon	41391	51⅞	50⅛	51⅞	+1⅞
Motorla	40831	45⅝	43⅝	44⅞	+ ⅝
AmExp	40324	62¼	58½	62¼	+3
DaytHd	36968	43¼	41	43	+1½

NYSE Diaries

	This Wk	Last Wk
Advanced		1490
Declined		560
Unchanged		280
Total Issues		2258
New Highs		458
New Lows		73

NYSE Sales

	Sales Vol.
Total for week	699,610,000
Week ago	745,820,000
Year ago	603,780,000
Two years ago	423,480,800
Jan 1 to date	4,324,636,821
1985 to date	4,049,670,000
1984 to date	3,500,700,000

Output in Shenzhen Grew 53.5% in 1985

Agence France-Presse

BEIJING — Industrial production in the Shenzhen special economic zone bordering Hong Kong grew 53.5-percent last year from 1984, the official Xinhua news agency said Sunday.

Industrial output in Shenzhen totaled 2.57 billion yuan ($803 million) last year, Xinhua said. Direct exports accounted for 43 percent of Shenzhen's total sales in 1985, compared with 33 percent the previous year. Shenzhen now has more than 750 industrial enterprises.

Tracking the Compact Disk Market

(Continued from Page 7)

tinued models from a high of about $1,000. And more growth is expected soon when disk prices start to fall. Most CDs now retail for $14.99, compared with about $7 for cassettes and records.

"There is a considerable buildup *of enthusiasm for the disk, but the* hard facts about the market are not available," said Seymour Gartenberg, senior vice president of operations at CBS Records.

"We know that the average buyer is a male about 35 with income of about $35,000 who will buy about 30 disks," he added. "This is not the typical record buyer because he has a lot of disposable income. Once the cost of the player drops, you have a different consumer, and no one knows what his buying patterns will be."

In an unusual move, CBS recently hired two consulting firms, Arthur D. Little and Cresap, McCormick & Paget, to do marketing and technology studies of the CD.

Both CBS and Warner have yet to deal in a definitive way with the question of owning a CD plant. That has made the companies dependent on outside production, leaving them unable at times to adapt to changing marketing needs.

"We contract out," said Mr. Holmes at Warner. "We allocate capacity for various labels far ahead and cannot shift that."

The system can prove costly. A hit Warner album by the rock group Dire Straits, for example, sold 200,000 CD copies. The company believes that it could have sold twice as many, but simply could not get more made. While at least some of the disappointed CD customers bought the album in its record or cassette form, Warner still would have lost a bit since the *CD profit margin is much higher.*

Warner always has been cautious about putting money into plants and equipment with its record operation, analysts note. Nonetheless, industry sources believe that Warner may soon announce plans to build its own CD plant, which can require an investment of $25 million to $30 million. Warner has declined to comment.

CBS Records also declined to confirm reports that it would be building a plant following an earlier joint venture with Sony Corp. of America.

In 1983, the record unit's parent, CBS Inc., joined with Sony to reopen a CBS plant in Terre Haute, Indiana, as a CD facility. It previously had been a cassette and record plant. The joint venture was disbanded last year for undisclosed reasons. The plant, the only CD facility in the United States, now is wholly owned by Sony.

The current squeeze on production also is restricting the variety of available CDs.

There now are about 5,000 titles on compact disks in the United States, compared with 50,000 on long-playing records, according to Harry Losk, vice president of compact disk marketing for Polygram Records. But because companies are choosing to allocate production capacity in favor of popular new releases, it has slowed their ability to issue a wider range of older selections. That shortfall, frustrating to consumers, is likely to remain for at least two years.

Paradoxically, the big demand for CDs also is expected to put a squeeze on profit margins.

Retailers pay about $10 for a CD. Several industry executives said that the production and packaging costs for most disks are about $4 and royalties are an additional $2 to $2.50. That leaves recording companies with a profit of $3 to $4 for each of the estimated 20 million units that they sold last year in the United States, compared with a $2 profit for a cassette or long-playing *record.*

The cost of royalties may be going up soon, however. Most performers agreed to a royalty structure for CDs that is likely to be renegotiated upward now that sales have soared, company executives acknowledge.

Industry experts said that records and cassettes are in no danger of being totally replaced by disks. Cassette equipment, unlike disk players, can erase and record over again. And the huge number *of record players guarantees a mar*ket for LPs for some time to come.

Getting adequate inventory remains the key problem for the CD industry. There already are slightly more than one million CD players in the United States, and perhaps two million more will be sold this year. An additional six million will be in homes outside the United States by the end of the year.

"The appetite for disks is enormous," said Mr. Losk of Polygram Records. Polygram's parent company, Philips NV, the huge Netherlands-based electronics conglomerate, recently received permission from the West German government to let its plant in Hannover stay open round the clock, seven days a week, so that it could double production to about 50 million disks this year. Its Japanese plants produce about 25 million disks. And it has announced a joint venture with Du Pont Co. to open seven more plants around the world by 1990.

$40-Million IMF Loan Approved for Ethiopia

Reuters

WASHINGTON — The International Monetary Fund has approved a $40-million loan to Ethiopia to help it overcome a decline in export earnings.

The IMF said Friday that severe drought in 1984 and 1985 had re*duced the country's food produc*tion by 25 percent and cut its commodity exports. Export earnings had been cut by about 15 percent during the 12 months ended last June, it said.

Sumitomo To Take Over Ailing Bank

Agence France-Presse

TOKYO — Japan's third largest city bank, Sumitomo Bank Ltd., *has agreed to merge with the finan*cially troubled Heiwa Sogo Bank Ltd., one of the leading mutual loans and savings banks in the country, officials said Sunday.

The agreement was reported to Finance Minister Noboru Takeshita Saturday night, spokesmen for the banks said.

The formal contract for the merger, slated for Oct. 1 this year, is to be signed in May but is subject to approval at both banks' annual shareholders meetings in June, the officials said.

The merger would be the first of a city bank and a mutual loan and saving institution in Japan.

It would also be the first major merger involving a city bank since Taiyo Bank and Kobe Bank joined forces in October 1973 to become Taiyo Kobe Bank Ltd.

After the October merger, Sumitomo Bank is expected to become Japan's second largest city bank after Dai-Ichi Kangyo Bank Ltd. in terms of total deposits.

Dai-Ichi Kangyo's deposits outstanding amounted to 25 trillion yen ($138 billion) at the end of September, while Sumitomo's stood at 20.85 trillion yen, according to a recent Finance Ministry survey.

Heiwa Sogo's problem loans amounted to 530 billion yen, with 13.2 billion yen of the total considered uncollectable and 169.6 billion deemed difficult to collect, the survey said.

The bank's deposits outstanding were estimated at 1.236 trillion yen.

Sources said that Osaka-based Sumitomo's planned acquisition of Heiwa's 101 branches in Tokyo and adjacent areas was in line with its strategy of making major inroads into the metropolitan area.

American Exchange Options

Figures as of close of trading Friday.

Total volume 255,770

Open interest 2,337,823

r—Not traded. s—None offered. o—Old.

Chicago Exchange Options

Figures as of close of trading Friday.

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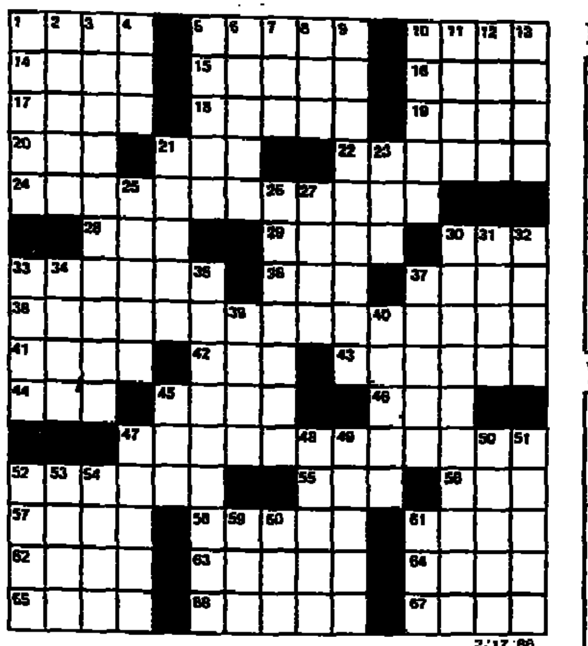

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ACROSS
1 Lose color
5 Particles
10 Heavy volume
14 To —— (perfectly)
15 Sweetsop's cousin
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53 Egress
54 Alice's TV friend
59 Ostrich's cousin
60 Baseball stat
61 Switch position

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DENNIS THE MENACE

"I DON'T HAVTA COME OVER HERE, YA KNOW!"

"NOW WHY DIDN'T I THINK OF THAT?"

JUMBLE.

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

FIDOR

TABEA

WELBIA

JUINER

WHAT THEY CALLED THAT NUTTY ORNITHOLOGIST.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: "ooooo oooooo"

(Answers tomorrow)

Friday's | Jumbles: RIVET BERET ROBBER WHOLLY
Answer: How a mason learns his trade— BY "TROWEL" & ERROR

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	16	61	15	59	o
Amsterdam	-2	28	-5	23	o
Athens	13	55	11	52	o
Barcelona	14	57	4	39	o
Belgrade	-1	30	-2	28	sw
Berlin	-3	26	-6	21	r
Brussels	0	32	-3	26	fr
Bucharest	-2	28	-5	23	o
Budapest	0	32	-2	28	sw
Copenhagen	0	32	-2	28	fr
Costa Del Sol	19	66	14	57	o
Dublin	2	36	0	32	o
Edinburgh	2	36	2	36	sw
Florence	9	48	5	41	fr
Frankfurt	0	32	-5	23	fr
Geneva	2	36	0	32	o
Helsinki	-3	26	-7	19	cl
Istanbul	9	48	1	34	cl
Las Palmas	20	68	15	59	cl
Lisbon	14	57	13	55	sh
London	2	36	0	32	o
Madrid	12	54	6	43	o
Milan	3	38	-1	30	fr
Moscow	-6	21	-13	9	fr
Munich	-3	26	-8	18	cl
Nice	13	55	5	41	fr
Oslo	-6	21	-15	5	fr
Paris	4	39	-2	28	cl
Prague	1	34	-4	25	cl
Reykjavik	4	39	2	36	fr
Rome	13	55	5	41	fr
Stockholm	-5	23	-8	18	fr
Strasbourg	-1	30	-8	18	o
Venice	5	41	0	32	fr
Vienna	2	36	-2	28	o
Warsaw	-3	26	-7	19	cl
Zurich	0	32	-2	28	cl
MIDDLE EAST					
Ankara	2	36	0	32	o
Beirut	—	—	—	—	na
Damascus	14	57	4	39	fr
Jerusalem	11	52	4	39	o
Tel Aviv	15	59	8	46	cl
OCEANIA					
Auckland	24	75	18	64	r
Sydney	24	75	21	70	fr

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	33	91	22	72	fr
Beijing	1	34	-3	26	o
Hong Kong	14	57	13	55	r
Manila	28	82	24	75	fr
New Delhi	20	68	10	50	fr
Seoul	5	41	-3	26	fr
Shanghai	7	45	2	36	r
Singapore	26	79	24	75	o
Taipei	18	64	13	55	o
Tokyo	4	39	1	34	fr
AFRICA					
Algiers	20	68	10	50	o
Cairo	—	—	—	—	na
Cape Town	25	77	18	64	fr
Casablanca	—	—	—	—	na
Harare	25	77	16	61	fr
Lagos	29	84	27	81	o
Nairobi	30	86	14	57	fr
Tunis	15	59	9	48	cl
LATIN AMERICA					
Buenos Aires	22	72	19	66	cl
Caracas	27	81	16	61	r
Lima	26	79	21	70	cl
Mexico City	24	75	7	45	pc
Rio de Janeiro	29	84	23	73	o
NORTH AMERICA					
Anchorage	0	32	-9	16	fr
Atlanta	16	61	0	32	fr
Boston	1	34	-6	21	pc
Chicago	1	34	-9	16	r
Denver	13	55	1	34	w
Detroit	0	32	-10	14	cl
Honolulu	26	79	20	68	sh
Houston	24	75	13	55	w
Los Angeles	19	66	13	55	r
Miami	24	75	14	57	fr
Minneapolis	-3	26	-9	16	sw
Montreal	-4	25	-7	19	sw
Nassau	21	70	14	57	fr
New York	2	36	-6	21	cl
San Francisco	16	61	13	55	r
Seattle	7	45	6	43	sh
Toronto	-4	25	-14	7	cl
Washington	6	43	1	34	pc

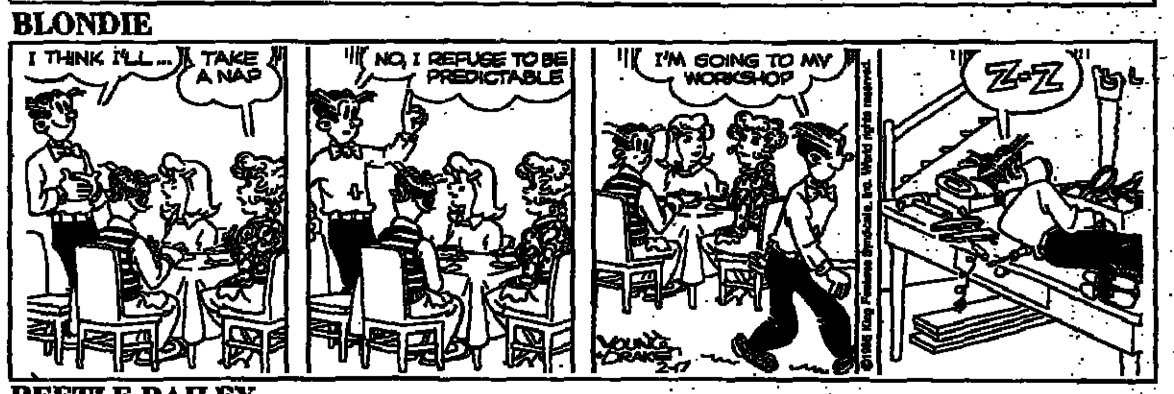
cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

MONDAY'S FORECAST — CHANNEL: Rough. FRANKFURT: Cloudy. Temp. 1 — -3 (34 — 26). LONDON: Overcast. Temp. 3 — 1 (38 — 34). MADRID: Showers. Temp. 12 — 4 (54 — 39). NEW YORK: Rain. Temp. 8 — 2 (46 — 36). PARIS: Rain. Temp. 4 — 0 (39 — 32). ROME: Rain. Temp. 13 — 6 (55 — 43). TEL AVIV: NA. ZURICH: Rain. Temp. 1 — -1 (34 — 30). BANGKOK: Foggy. Temp. 32 — 25 (90 — 77). HONG KONG: Rain. Temp. 17 — 13 (63 — 55). MANILA: Fair. Temp. 29 — 22 (84 — 72). SEOUL: Cloudy. Temp. 5 — -6 (41 — 21). SINGAPORE: Thunderstorms. Temp. 31 — 25 (88 — 77). TOKYO: Fair. Temp. 5 — 1 (41 — 34).

PEANUTS

HERE'S THE WORLD WAR I FLYING ACE CONFINED TO BED WITH THE TERRIBLE FLU OF 1918...
THE BEAUTIFUL FRENCH WAITRESS FROM A NEARBY CAFE HAS BEEN TAKING CARE OF ME...
BONJOUR, MONSIEUR...I HAVE FOR YOU A PIECE OF MAIL...
HOW NICE...A "GET WELL" CARD FROM THE RED BARON!

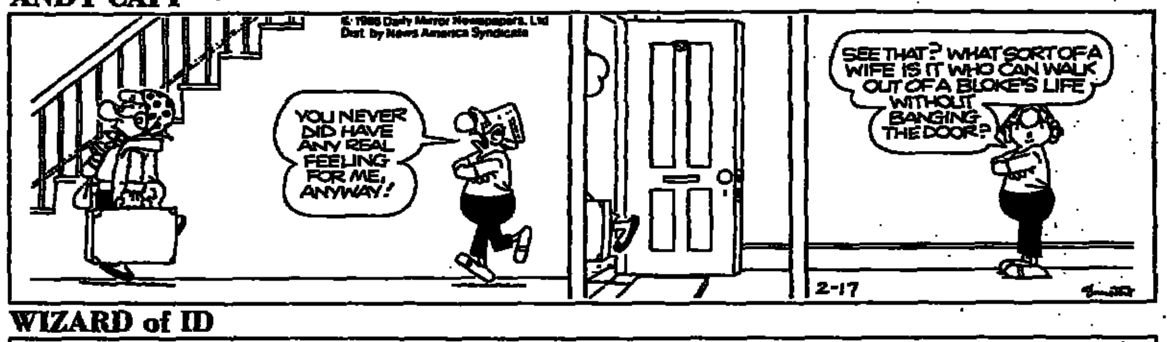
BLONDIE



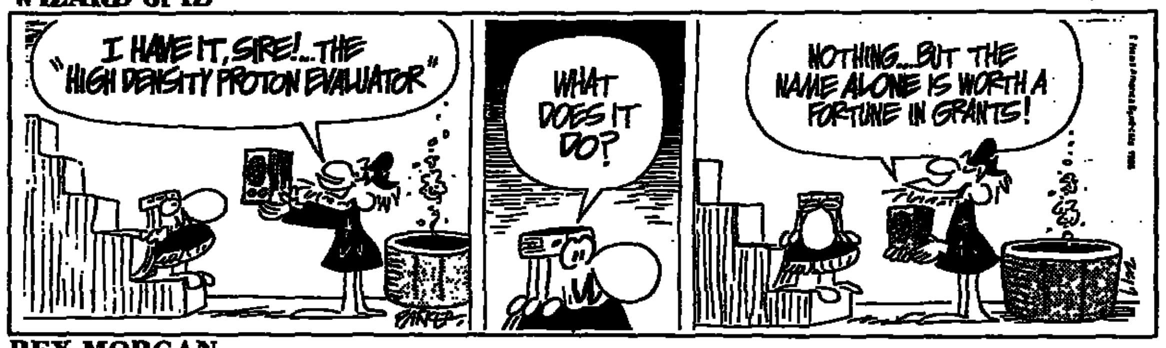
BEETLE BAILEY

BAN THE MISSILE SILOS
BEETLE! I THOUGHT YOU WERE FOR A STRONG NATIONAL DEFENSE!
I AM! BUT THOSE SILOS HAVE TO BE SWEPT AND MOPPED!

ANDY CAPP


YOU NEVER DID HAVE ANY REAL FEELING FOR ME, ANYWAY!
SEE THAT? WHAT SORT OF A WIFE IS IT WHO CAN WALK OUT OF A BLOKE'S LIFE WITHOUT SLAMMIN' THE DOOR?

WIZARD of ID


I HAVE IT, SIRE!...THE "HIGH DENSITY PROTON EVALUATOR"
WHAT DOES IT DO?
NOTHING...BUT THE NAME ALONE IS WORTH A FORTUNE IN GRANTS!

REX MORGAN

WHEN FRANK TAYLOR SUGGESTS THAT THEY ALL GO TO A MOVIE AFTER DINNER, KAY WEBB EXCUSES HERSELF, PLEADING WORK AT HER APARTMENT!
AGAIN, THANK YOU FOR DINNER, FRANK! IT WAS NICE MEETING YOU AND TOM!
I'LL DRIVE KAY HOME--AND DON'T YOU GUYS GO BAR-HOPPING!
HOW'D YOU LIKE TOM? I GET THE FEELING YOU WEREN'T TOO IMPRESSED!
HE SEEMS VERY NICE, FLORENCE! IT'S JUST THAT I DON'T THINK I'M VERY GOOD COMPANY FOR ANYBODY THESE DAYS!

GARFIELD

AH, HERE COMES ARLENE
HELLO, GARFIELD
UNNNNGH YUGGT*X
YOU MAY DISPENSE WITH THE VANITY
WHEW! THANK YOU

BOOKS

HER MAJESTY'S SECRET SERVICE: The Making of the British Intelligence Community.

By Christopher Andrew. 619 pages. Illustrated. $25.
Elizabeth Sifton Books/Viking, 40 West 23d Street, New York, N.Y. 10010.

Reviewed by Hugh Trevor-Roper

SECRET services are a perpetual subject of public curiosity. Many books have been written about them, mostly ill-informed, many romantic, some pure fantasy. Those who work in them are liable to fantasy too: It is their occupational disease. However, since such services are necessary, we must put up with that, merely hoping that the fantasy will be kept under control by professional skill. Thus controlled, it can even serve as a smoke-screen to protect serious operations.

The British secret service takes particular delight in such self-protection. Even its remote origins are hidden behind a distorting fog. No fog, however, is quite impenetrable. Most secrets can be discovered if one knows where to look. The central documents may be hidden or destroyed, but there are copies in other files. Private archives preserve private memories and private resentments. The historian needs a hunter's nose and a steady head.

Christopher Andrew is such a historian. Thanks to a rare combination of talents, he has written a history of British intelligence that is scholarly, balanced and, at the same time — since he has a lively sense of the absurd (to which, however, he never sacrifices either charity or scholarship) — highly entertaining. It is a book that, both as a historian and as a one-time denizen of that jungle, I can praise without qualification.

It is often supposed that the British secret service has been continuous for centuries. This is not so. Special services have been created in times of special danger, but then, in periods of apparent security, have been allowed to lapse. In the late 19th century British complacency was shaken by a series of failures in the Crimean War, then in the Boer War, and by 1900 the sudden discovery that the country was both isolated and vulnerable caused a "great fear." This fear was profitably exploited by a series of "farcical Cassandras" who declared that the country was at the mercy of thousands of spies preparing first for a French, then for a German invasion. Andrew gives a hilarious account of this scare, of its exploitation by the popular writers William Le Queux and E. Philips Oppenheim, and of the amateur, even gentlemanly, response of the establishment. However, it did lead to the creation of the special security service afterwards known as MI5. Its creator was Sir Vernon Kell, whom I remember well, for he was still there in 1940. He had done good work before 1914, rounding up the score of incompetent German spies who were all that really existed of the 70,000 imagined by the scaremongers to whom he owed his post.

Meanwhile a secret intelligence service — the beginning of the modern MI6, alias SIS — had also been organized. Since the great threat was from the new German Navy, it wore naval uniform. Its first chief was Sir Mansfield Cumming, whose idiosyncracies became the regular mysteries and rituals of his office. He was a colorful character, with a touch of fantasy, and lives in office legend; but the great scoops of the first world war were due not to him and his adventurous agents but to the cryptographers directed by Sir Reginald Hall in Room 40 of the Admiralty. These were equally eccentric, but in a different way — "men of the professor type" as they were condescendingly called — and their work, though never fully exploited, was invaluable: It provided the "hard" evidence of the German naval order of battle. They also, by deciphering the famous "Zimmermann telegram," helped bring the United States into the war.

Many of the men who ran MI6 in World War I were still there in 1939. The best cryptographers were continued too. Transferred from the Admiralty to the Foreign Office, they did valuable work, reading the Russian ciphers, for those were the years of the Comintern and the "great fear" was of Bolshevik subversion. But in 1927, to justify a dubious political gesture, the government (encouraged by the old hands of SIS) published some damaging Russian telegrams. The cryptographers were furious, for the Russians promptly changed to new ciphers. The mind boggles at such a blunder.

In the critical 1930s, SIS was at its weakest. Its eyes were still fixed on Russia, although the immediate danger now came from Germany. Without "hard" evidence, it had no means of sifting the "soft" evidence that poured into it. Soft evidence can be useful but it needs to be analyzed and analysis depends on intelligence. The comfortable leaders of SIS not only lacked intelligence: They positively distrusted it. Declining to recruit university graduates, they left them to be recruited by the Comintern.

The result was a series of disasters that continued until 1940. From these disasters SIS was saved less by its efforts than, once again, by the cryptographers. Ultra was the great success story of World War II. It restored a central pillar to the crumbling edifice of secret intelligence and was vital to victory. Winston Churchill saw at once the value of Ultra and gave his support. SIS saw it too: By hitching itself to the lifeline of Ultra, the Old Guard survived the war basically unchanged until the shocks of the 1950s forced radical reform.

That reform, Andrew thinks, has not gone far enough. In a thoughtful epilogue he argues for greater accountability. I think that anyone who has followed his story will agree.

Hugh Trevor-Roper is master of Peterhouse, Cambridge, and the author of many historical works. He wrote this review for The Washington Post.

Solution to Friday's Puzzle

PASTS TSAR PRAM
AFOOT ETRE LAVA
CANDY EVALUATES
SRO LAMA ALTERS
FRAU LACTO
LOVERS EVER SPA
AMEN TONI ASWAN
WANED OTTO SPENT
INUSE ZINC LENA
SIS ADEN ABATES
ERODE MOTH
BESTIR SLEW EAT
ONTHESIDE MEARA
ODEA AMAN ARROW
BORN LAYS NOTES

2/15/86

BRIDGE

By Alan Truscott

THE winners of a recent tournament staved off a last-round challenge with the help of the diagramed deal. One would expect a Stayman bid from North in response to two no-trump, but the actual three-spade bid, promising minor suits in the partnership style, led to the normal three no-trump contract.

A heart was led to the queen and ace, and South cashed five diamond winners and successfully led a club to the king. South then exited with the club ten, and West won the jack in this position:

NORTH
♠ 8 6 5
♡ —
♢ —
♣ 9 8

WEST
♠ K J
♡ K 10
♢ —
♣ Q

EAST
♠ 10
♡ 9 8
♢ —
♣ A 7

SOUTH
♠ A Q
♡ J 6 5
♢ —
♣ —

When West led the club queen, East overtook with the ace, the best defense, and led a spade. But South read the position accurately. He put up his ace and exited with the queen, scoring his heart jack at the finish. The same contract failed in the replay, and South's team gained 13 international match points.

NORTH
♠ 8 6 5 4
♡ —
♢ Q J 10 6 5
♣ 9 8 6 3

WEST
♠ K J 7
♡ K 10 7 4
♢ 7 4 2
♣ Q J 2

EAST
♠ 10 3 2
♡ Q 9 8 2
♢ 9 8
♣ A 7 5 4

SOUTH (D)
♠ A Q 9
♡ A J 6 5 3
♢ A K 3
♣ K 10

North and South were vulnerable.
The bidding:

South	West	North	East
2 N.T.	Pass	3 ♠	Pass
3 N.T.	Pass	Pass	Pass

West led the heart four.

SPORTS BRIEFS

Australia III Wins 12-Meter Championship

FREMANTLE, Australia (Combined Dispatches) — Australia III, the yacht expected to defend the America's Cup for Australia in 1987, sailed to a third impressive victory Saturday to clinch the world 12-meter yachting championship. Australia II was second and True North of Canada was third.

On Sunday, Australia III withdrew from the seventh and final heat, in a move that other competitors called unsporting, and French Kiss won the race in boisterous seas off Fremantle, with America II second and KZ5 of New Zealand third. It was French Kiss's second victory.

In the final standings, Australia III had 11 penalty points, with KZ5 second at 32.8 and America II third at 38.4.

In Auckland, New Zealand, 15 ocean-racing yachts set sail Saturday for Uruguay on the third leg of the Whitbread round-the-world race. The leader on handicap, after two legs, was Philips Innovator of the Netherlands, with a corrected time of 60 days, 12 hours, 35 minutes, 34 seconds. *(AP, UPI)*

Watson Takes Lead in Hawaii Golf Tourney

HONOLULU (AP) — Tom Watson shot a 66 into the teeth of gusty trade winds Saturday for a one-stroke lead after three rounds of the Hawaiian Open golf tournament at 203, 13 under par.

Watson started the round four strokes off the pace. On the 513-yard (468-meter) ninth hole, he drove 338 yards, hit an eight-iron 12 feet (3.6 meters) from the cup and holed out for an eagle. Later, he made six-foot birdie putts on 17 and 18.

Paul Azinger shot 69 and was at 204, with Corey Pavin, Craig Stadler, Jodie Mudd and Bob Tway at 206. Mac O'Grady, who had shot 69 in Friday's second round to lead the tournament, struggled to a 74 and finished 54 holes at 207.

Giants' Taylor Reported in Drug Clinic

NEW YORK (AP) — Lawrence Taylor, the New York Giants' all-pro linebacker, is undergoing treatment for cocaine abuse, ABC Radio Sports said Friday, attributing the story to "the best possible sources."

The Giants' general manager, George Young, declined to confirm the report in an interview with the New Jersey newspaper the Newark Star-Ledger. He said he would have known if Taylor had asked the team to pay for drug-abuse treatment, or if Taylor was paying for it himself.

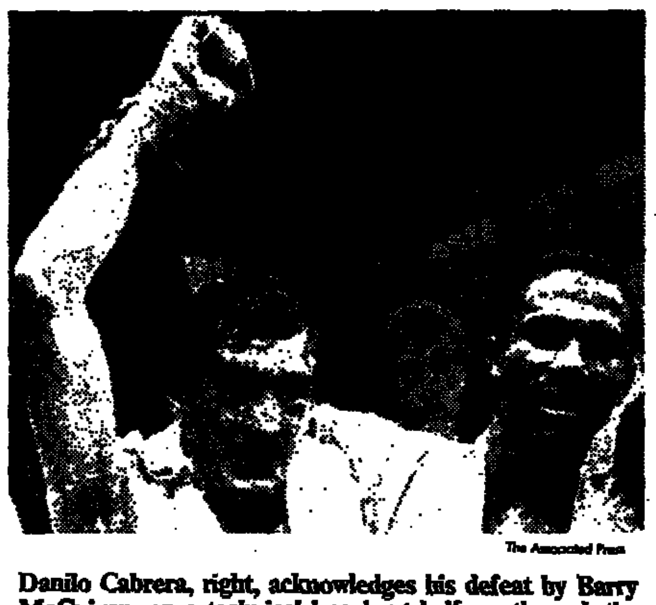
Shelby Whitfield, director of sports of the ABC Radio Networks, said: "We believe the Giants are not paying for it, nor do we think the league is."

For the Record

The ban on English soccer clubs in Europe is unlikely to be lifted next season, the newspaper L'Equipe reported Saturday in Paris. Jacques Georges, head of the European governing body UEFA, was quoted as saying that violence this month at a Manchester United match in Liverpool "leads one to believe that the Heysel tragedy has not made very much difference." *(AFP)*

Ivan Lendl has been replaced by Milan Srejber for next month's Davis Cup qualifying match against India in Calcutta, the Communist Party newspaper Rude Pravo reported Saturday. *(AP)*

Marita Koch ran the fastest women's indoor 200 meters Sunday at a meet in Senftenberg, East Germany. The East German, 28, finished in 22.33, bettering her three-year-old world best by .06 second. *(AP)*



The Associated Press

Danilo Cabrera, right, acknowledges his defeat by Barry McGuigan, on a technical knockout halfway through the 14th round, by raising the hand of the champion.

McGuigan Keeps Title, Stopping Cabrera in 14th

The Associated Press

DUBLIN — Barry McGuigan of Ireland retained his World Boxing Association featherweight title Saturday, stopping Danilo Cabrera of the Dominican Republic at 1:40 of the 14th round of an explosive fight.

The referee ruled that the 22-year-old challenger was unable to continue as he scrambled to retrieve his mouthpiece from the canvas.

Seconds earlier, Cabrera was floored by the champion, taking a count of eight. When Cabrera got to his feet, he was bent double by another pounding from McGuigan and the referee, Ed Eckert of Miami, decided he could no longer defend himself.

Ranked sixth by the WBA, Cabrera was given only 10 days to prepare for the scheduled 15-round fight after Fernando Sosa of Argentina, the original opponent, broke a finger in training.

Cabrera damaged the champion with jabs and hooks early in the fight as he sought to knock out McGuigan, who was making his second defense of the title.

The 6,300-capacity arena erupted at the end of the eighth round, believing the champion had won the first world title contest in Dublin for 63 years. The referee appeared to have stopped the fight with Cabrera trapped in a neutral corner after taking fierce punishment. But the bell already had sounded.

Some of McGuigan's fans climbed into the ring to congratulate their hero. Cabrera's handlers protested and Eckert had to tell the three judges and timekeeper that the fight was continuing.

In round nine, Cabrera opened a cut under McGuigan's left eye. The champion then built up a solid lead in points before launching his final attack in the 14th round.

Hector Rivera, Cabrera's manager, said the referee "allowed McGuigan to steal the title. The champion won it again because of his low punches."

McGuigan conceded he was cautioned for low punching in round five. He said that Cabrera "was so slippery and very difficult to hit. He thumbed me in the eye in the second round and again later on."

■ Hilton KOs Benitez

Matthew Hilton of Montreal, the undefeated super welterweight, scored a ninth-round knockout Saturday over Wilfred Benitez, the former three-time title-holder, United Press International reported from Montreal.

Bossy, Gretzky Keep Scoring, Winning

Los Angeles Times Service

UNIONDALE, New York — Two things seem certain to happen each season in the National Hockey League: Wayne Gretzky will be the scoring champion and Mike Bossy will score 50 goals.

Gretzky is so far in front in scoring that the star of the Edmonton Oilers could sit out the rest of the season and probably still win his sixth consecutive title.

Bossy is zeroing in on his ninth consecutive 50-goal season.

The scoring star of the New York Islanders had a hat trick Saturday night as the Islanders beat the New Jersey Devils, 6-5.

Bossy's third goal of the game, with 2:28 remaining, gave him 43 this season and gave the Islanders the victory. Bossy has 23 more games in which to score the seven goals he needs to reach 50.

NHL FOCUS

In 1977-78, Bossy scored 53 goals to set a record for rookies.

"It doesn't bother me that Gretzky has taken over the scoring honors, because he's a fantastic player," Bossy said. "But I do have strong feelings about getting my 50 goals each season. I have felt good all season."

■ Gretzky Ties Assists Mark

Gretzky, while failing to score a goal for the ninth straight game, the longest drought of his career, contributed a record-tying seven assists Friday night at Edmonton, Alberta, to lead the Oilers to an 8-2 victory over the Quebec Nordiques, the Los Angeles Times reported.

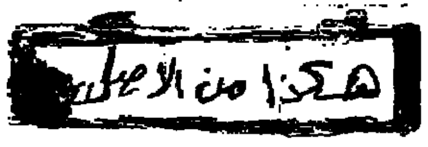
Gretzky has 156 points in 58 games — 118 assists and 38 goals — and needs to get 18 assists in his last 22 games to break his record for a season. Gretzky's record for most points in a season is 212.

It was the third time he has had seven assists in a game. It was also done in 1947 by Billy Taylor of the Detroit Red Wings.

■ Oilers' Forward Jailed

Dave Hunter, the Oilers' forward, went to jail Friday after a judge dismissed his appeal on convictions of impaired driving and refusing to take a breath analysis, The Associated Press reported from Edmonton.

Judge L.D. MacLean sent Hunter to Belmont correctional institute in Edmonton for 28 days. He will be eligible for release after serving either 5 or 10 days.



SPORTS

England Routed, 33-6, In Scotland; Wales Wins By 19-12 in Ireland

By Bob Donahue
International Herald Tribune

EDINBURGH — The English rugby team has been humiliated yet again: outfought, outrun, outwitted, battered, dazed. After a 33-6 demolition by Scotland here Saturday, the blueprint for a methodical English renaissance was in tatters.

Nigel Melville's optimistic team had come north to confirm an English revival after a calamitous tour in New Zealand last June that ended in a loss by a record margin of 27 points, 42-15. Instead, that infamous deficit was equaled.

In Saturday's other Five Nations match, Wales became this year's first team to win away from home, by beating Ireland in Dublin, 19-12.

With two Saturdays left, the tournament has become a three-way race. Wales, which finishes at home against France on March 1, and Scotland, which finishes in Dublin against Ireland on March 15, could wind up joint champions with three victories each. Or France, which finishes at home against England on March 15, could share the title with Scotland.

Some of this year's results will look confusing in the record book: England beats Wales, which beats Scotland, which beats England. Home advantage was a factor in all three of those matches. So was modern rugby's hot-and-cold running lottery for goal kickers.

At home against the Welsh, England's Rob Andrew could do no wrong. But in Edinburgh he missed with a first penalty kick before two minutes were up, and he finished with just two successes out of six attempts.

In Wales, Scotland's Gavin Hastings had missed most of the time. But at home against England he

FIVE NATIONS RUGBY

went 8 for 8, with 5 penalty goals and 3 conversions. Those 21 points are a Scottish individual scoring record.

As the kicks went over or went wide, confidence flowed one way — out of England and into Scotland. The Scots had a 12-6 lead by halftime. If Andrew had been hot, England could have led by 18-12.

Looking back, the Scottish captain, Colin Deans, agreed that goal-kicking luck played a part. In addition, the final score was misleading because Melville gamely ran four penalties from kickable distances in the last quarter, forsaking penalty points since victory was clearly out of reach by then.

But the fact that it was out of reach was no accident.

"They upset our pattern and made us play on their terms," Melville said.

England's heavy forwards were run ragged. Scotland's forwards wheeled the scrums, harried and varied in the lineouts, descended with a ferocity that turned defense into attack and did most things faster and more shrewdly than the English.

"You have to be athletes before you can be rugby players," said the Scottish coach, Derrick Grant, in summing up. He was, in effect, indicting most of England's forwards and backs and the English selectors who picked them.

The Scottish flyhalf John Rutherford, who had a superb game, punted long to the corner to position his team for a first try that settled the outcome at the end of the third quarter.

England wasted a lineout and the Scottish forwards attacked from the ensuing scrum. The hammering movement ended up back on the right, where the scrumhalf Roy Laidlaw and the fullback Hastings put the wing Matt Duncan across at the flag. Hastings converted and soon took the score to 21-6 with his fifth penalty goal.

A festival of inspired Scottish rampaging and frantic English errors brought tries in the closing minutes for Rutherford and the center Scott Hastings, Gavin's younger brother. By this time, the Scottish loose forwards, John Jeffrey, Finlay Calder and John Beattie, were flying so fast that their feet did not appear to touch the ground.

The 33-6 tally was Scotland's largest ever against England — its highest score and its biggest margin in all their 102 tests since 1871.

The English management announced that their team's flyhalf and both centers had rib injuries, the starting fullback had a damaged shoulder, both wings had ankle injuries, one starting flanker seemed to have a broken thumb, the other flanker had received stitches in his chin and the scrumhalf Melville was dazed. Melville met the press anyhow, and it was probably not the least brave of his chores in Edinburgh.

In Dublin, Ireland built a deserved 12-4 lead in the first half but faded in the second as the brilliant flyhalf Jonathan Davies led a 15-point comeback for Wales.

The right wing Phil Lewis and the No. 8 Phil Davies scored tries for Wales, with the fullback Paul Thorburn kicking a conversion and three penalty goals. For Ireland, which is now 0 for 2 after winning the tournament last year with three victories and a draw, the right wing Trevor Ringland got a try and the center Michael Kiernan kicked the conversion and two penalty goals.

The teams that scored more tries won both matches. Still, penalty goals continue to outnumber tries. Overall in the six tournament matches played so far, there have been 42 penalty goals and only 16 tries.

The Associated Press
Rob Andrew, England's flyhalf, tried to break away during the 33-6 defeat in Edinburgh. It was a record-equaling margin of defeat for the English, who had been optimistic of winning.

Olson Clears Controversy, And 19 Feet, to Win Pole Vault

By Frank Litsky
New York Times Service

NEW YORK — The heralded battle of the three record-breaking pole vaulters Friday night produced weird turns. The most notable was a one-hour delay in the competition while one vaulter protested the extra attempts given to the other two.

The scene was the 79th annual Wanamaker Millrose Games at Madison Square Garden, the blue-ribbon meet of indoor track. When the pole vault ended at 12:19 A.M. Saturday, Billy Olson of Dallas had won by clearing a bar set at 19 feet ¼ inch (5.797 meters). Sergei Bubka of the Soviet Union and Joe Dial of Norman, Oklahoma, the other record-breakers, had long been eliminated.

The hour-delay resulted from a protest by Bubka, the world record-holder outdoors at 19-8¼. He said Olson, the world's highest indoor vaulter at 19-5½, and Dial, the U.S. record-holder outdoors at 19-2¼, should not have received extra attempts. They were given those attempts after they said they had been interfered with by photographers clustered around the runway and pit.

Because of that, said Bubka, he was withdrawing from the competition. He was persuaded to stay, partly because officials agreed to wipe out one of the vaults he had missed.

The sellout crowd of more than 18,000 fidgeted during the long delay. Finally, the vaulting resumed, and Olson and Dave Volz became the first 19-foot vaulters in Garden history by clearing 19-¼.

Even that became complicated. The bar was set for both at 19-¼. Olson shook the bar on his clearance, and it was remeasured at exactly 19 feet, which became the Garden record. Volz did not touch the bar on his clearance, so he was given credit for 19-¼ and that became the record. Still, Olson became the winner because he cleared that height on his first attempt and Volz on his third.

Both tried 19 feet 5¾ inches, a quarter-inch higher than Olson's world indoor best last Saturday night. Volz missed twice, suffering a cramp in his right leg on his second attempt, and did not vault again. Olson had three misses, none close.

Dial used borrowed poles because his were delayed en route from Oklahoma. He failed to clear 18-4¾. Bubka missed three times at 18-9¼. Pierre Quinon of France, the 1984 Olympic champion, received scant attention, but finished third at 18-9¼.

There were other events, of course, notably the Wanamaker Mile. Marcus O'Sullivan held off Eamonn Coghlan, his fellow Irishman, and beat him by five feet in 3 minutes 56.05 seconds. That spoiled the attempt of the 33-year-old Coghlan to become the first seven-time winner of indoor track's most celebrated race.

But even the Wanamaker Mile had to take second billing to the pole vault. Among them, Olson, Bubka and Dial had bettered the world indoor best seven times in the last six weeks. This was their first meeting of the winter.

The occasion attracted a horde of photographers. When Olson and Dial claimed interference and received extra vaults, Bubka became angry. He turned to Dial and said in English:

"That's not fair, so I'm not going to vault."

Then, through a Soviet interpreter, Bubka told meet officials that under international rules, the extra jumps given to Olson and Dial were illegal. Bubka said he was quitting. After a long discussion, he agreed to stay in the competition if photographers were cleared from the sides of the runway, the crowd was asked to be quiet during vaults and he could jump only between races, not during them.

Patricia Rico, the meet referee, agreed. At the suggestion of Howard Schmertz, the meet director, Rico voided Bubka's second miss at 18-4¾, which gave him an extra attempt, too.

"According to the officials," she said, "Sergei had an elbow come out and interfere with him on the runway."

Still, Olson and Brad Pursley complained, to no avail, about the extra vault for Bubka. Then Kenworthy said he had been interfered with. The Russians said Vasily Bubka, Sergei's older brother, had been interfered with. Vitaly Petrov, the Soviet coach, said everyone should get an extra attempt.

The officials said no to Kenworthy, no to Vasily Bubka and no to the Soviet coach.

End of controversy. But not the end of the unhappiness.

"I was in good form," said Bubka through his interpreter, "and expecting a high result. But because of conditions, I couldn't think of a proper word to call this competition because the international rules were violated."

"It's been an interesting evening," said Rico, half in resignation.

Interesting, indeed. Nothing was more interesting than the men's 3,000-meter run, which Doug Padilla won in 8:18.68.

The time was exceptionally slow for 3,000 meters, and for good reason. Because of an error by the official counting the laps, the runners ran an extra lap, which made the race 3,146.3 meters.

The Associated Press
Sergei Bubka, left, listed his complaints for Joe Dial.

With Bamboo Poles, Records Lasted

Washington Post Service

NEW YORK — Today's vaulting heroes ride incredibly flexible fiberglass poles to heights unimagined when Cornelius Warmerdam set a mark that lasted for 17 years.

Warmerdam used a bamboo pole to become the first 15-foot vaulter. Friday night, from his home in Fresno, California, Warmerdam, 70, said that "all of a sudden it was there. I had reached a plateau of 14-6, 14-7 for two years. After that, everything felt real good."

His indoor mark, of 15-8½, stood for 17 years before it was broken in 1959 by Don Bragg, who did 15-9½ with a metal pole. That was hailed as a "skyscraping" feat.

Bragg, who lives in New Gretna, New Jersey, north of Atlantic City, said Friday, "Yesterday was kind of funny. It was the anniversary of my record."

Reminiscing amid the hoopla of the approaching 20-foot vault, he said, "We just moved from our old house and there was the pole I used. It was older than a model-T Ford. I can't believe I used it."

He laughed, and added, "When people say, 'Hey, Don, how high'd you go?' I say, 'Let's just say I won the gold medal. Let's just say I had the world's record.' I don't like to say 15-9½."

Gooden Signing for $1.32 Million, Valenzuela for 3 Years, $5.5 Million

New York Times Service

NEW YORK — Dwight Gooden, three months past his 21st birthday, has become the youngest million-dollar player in baseball history by agreeing to a one-year contract with the New York Mets for $1.32 million.

"I never dreamed of making this kind of money," Gooden said Friday. "What's the first thing I'll do with it? Probably turn some over to my mom and pop."

When he signs the contract on Monday, Gooden will be guaranteed a raise of more than $1 million over his base pay of $265,000 last year, and nearly three times the $450,000 he grossed. He also will be making more money after two years in the big leagues than anybody else in baseball ever did in so short a time.

His agent predicted that he could earn $2 million to $3 million this year from all sources.

[Bret Saberhagen, paid $150,000 by the Kansas City Royals last season when he won the American League's Cy Young Award and was named most valuable player in the World Series, won his arbitration case Friday and will earn $925,000 in 1986, The Associated Press reported from Kansas City, Missouri. The team had offered $625,000.

[Saberhagen, 21, in his second year in the majors, was 20-6 with a 2.87 earned run average during the regular season. He won two games in the World Series against the St. Louis Cardinals.

[In an arbitration decision on Saturday, Ron Romanick, a pitcher for the California Angels, won a $425,000 salary over the team's bid of $250,000. That gave the players nine arbitration victories to the owners' 10. In each case, an arbitrator hears testimony from each side, then awards either what the player wants or the club has offered. There is no middle ground.]

In 1984, Gooden won 17 games, lost 9, struck out 276 batters and was voted rookie of the year. As a second-year man in 1985, he won 24 games, lost 4, struck out 268, led the major leagues with an earned run average of 1.53 and won the Cy Young Award as the best pitcher in the National League.

The agreement kept Gooden and the Mets from arguing their contract before an arbitrator on Tuesday. The club had offered $1.1 million; Gooden had asked $1.5 million.

"I think it means a great deal not to go to arbitration," Gooden said. "I plan on being in New York a long time. Down the road, you think they'll hold it against you."

■ Highest-Paid Pitcher

On Saturday, Fernando Valenzuela of the Los Angeles Dodgers agreed to a contract that will make him the highest-paid pitcher in baseball history, The New York Times reported.

About 30 minutes after his arbitration hearing had been scheduled to start in Los Angeles, Valenzuela and the Dodgers agreed to a three-year contract worth $5.5 million. The annual average of the contract, $1,833,333, surpasses the $1.8-million-a-year contract Rick Sutcliffe signed with the Chicago Cubs as a free agent before last season.

Furthermore, Valenzuela's 1988 salary of $2.05 million marks the first time a pitcher has reached the $2-million level in one year. The 25-year-old left-hander will have a salary of $1.6 million this year. In 1987, it will be $1.85 million.

He had submitted a $1.7-million salary for arbitration and the Dodgers had offered $1.35 million. Valenzuela earned a negotiated salary of $1.2 million last season, when he had a 17-10 record with a 2.45 earned run average. His five-year record in the majors is 78 victories and 57 losses.

The pitcher's new contract is the richest, on an annual basis, the Dodgers ever have given a player. The previous richest was Pedro Guerrero's five-year contract for $7 million, an annual average of $1.4 million.

■ Ueberroth Clears Madlock

The commissioner of major league baseball, Peter Ueberroth, in his first statement since completing his investigation into last summer's drug trials in Pittsburgh, said Friday that the Los Angeles Dodgers' third baseman, Bill Madlock, had been wrongfully accused of using and distributing amphetamines and would not be disciplined, the Los Angeles Times reported.

"Bill Madlock's reputation on and off the field is above reproach," Ueberroth said in a statement. "I am appreciative of his willing and sincere cooperation during what must have been a difficult time for him."

Ueberroth's statement said that he had completed a series of meetings with 24 players who have either undergone rehabilitation for substance abuse or were mentioned in the Pittsburgh trials. Madlock was the only player mentioned by name.

Dwight Gooden

Reuters-UPI
NOT SO SHORT — Manute Bol, Washington's 7-foot-7 center, dwarfed Purvis Short, the Golden State forward who stands 6-7, during their game on Thursday night.

SCOREBOARD

Basketball

National Basketball Association Standings

EASTERN CONFERENCE
Atlantic Division

	W	L	Pct.	GB
Boston	40	9	.816	—
Philadelphia	34	19	.642	8
New Jersey	29	25	.537	13½
Washington	24	28	.462	17½
New York	18	35	.340	24
Central Division				
Milwaukee	36	18	.667	—
Atlanta	29	22	.569	5½
Detroit	29	25	.537	7
Cleveland	20	32	.385	15
Indiana	18	35	.340	17½
Chicago	17	36	.321	18½

WESTERN CONFERENCE
Midwest Division

	W	L	Pct.	GB
Houston	34	18	.654	—
Denver	31	23	.574	4
Dallas	27	23	.540	6
San Antonio	28	26	.519	7
Utah	26	29	.473	9½
Sacramento	21	31	.404	13
Pacific Division				
L.A. Lakers	39	12	.765	—
Portland	29	27	.518	12½
Phoenix	21	30	.412	18
L.A. Clippers	21	32	.396	19
Seattle	19	34	.358	21
Golden State	17	38	.309	24

FRIDAY'S RESULTS

Dallas	30	30	26	34	—118
Detroit	34	31	34	30	—119

Johnson 11-16 0-0 22, Cureton 8-12 2-2 18; Aguirre 11-22 5-8 27, Perkins 8-12 3-6 19. Rebounds: Dallas 45 (Blab 7); Detroit 46 (Cureton 9). Assists: Dallas 28 (Aguirre 6); Detroit 29 (Thomas 12).

Indiana	25	28	29	22	—104
Chicago	24	25	20	19	— 88

Williams 17-26 5-6 39, Fleming 6-7 3-4 15; Oakley 8-12 1-1 17, Woolridge 7-16 0-0 14. Rebounds: Indiana 54 (Stipanovich 10); Chicago 30 (Oakley 13). Assists: Indiana 23 (Richardson 8); Chicago 29 (Macy 10).

Denver	24	24	24	23	— 95
Phoenix	23	38	17	34	—112

Davis 11-20 3-3 25, Edwards 8-13 2-5 18; English 12-27 5-6 29, Natt 4-15 6-8 14, Evans 6-15 2-2 [illegible]

[illegible]

Daileyr [illegible] ley 5-11 4-6 14; Wilkins 10-17 2-2 22, Bannister 9-16 1-4 19. Rebounds: Utah 53 (Malone 13); New York 49 (J.Bailey 9). Assists: Utah 22 (Green, Stockton 5); New York 20 (Sparrow 7).

Cleveland	30	12	22	33	— 97
Indiana	29	28	28	20	—105

Williams 9-19 6-11 24, Tisdale 5-12 7-8 17; Hinson 14-25 5-5 33, Free 6-13 4-7 17. Rebounds: Cleveland 50 (Hinson 9); Indiana 66 (Stipanovich 13). Assists: Cleveland 22 (Bagley 5); Indiana 26 (Richardson 9).

Selected College Results

FRIDAY'S RESULTS
EAST

Cornell 61, Brown 58
Dartmouth 64, Penn 61
Dubuque 75, Simpson 65
Manhattanville 62, Colgate 60
Princeton 61, Harvard 43
Yale 78, Columbia 46

FAR WEST

[illegible]

Hockey

NHL Standings

WALES CONFERENCE
Patrick Division

	W	L	T	Pts	GF	GA
Philadelphia	38	16	4	80	245	175
Washington	34	17	4	72	218	194
NY Islanders	28	19	10	66	234	204
Pittsburgh	26	24	6	58	221	197
NY Rangers	26	26	4	56	199	194
New Jersey	17	37	2	36	206	266
Adams Division						
Montreal	32	21	5	69	250	195
Quebec	32	21	4	68	235	200
Buffalo	27	24	6	60	214	201
Boston	26	24	7	59	221	209
Hartford	26	29	2	54	220	220

CAMPBELL CONFERENCE
Norris Division

	W	L	T	Pts	GF	GA
Chicago	28	22	8	64	256	250
St. Louis	25	22	8	58	212	212
Minnesota	23	25	9	55	232	225
Toronto	16	35	5	37	215	273
Detroit	12	39	5	29	191	294
Smythe Division						
Edmonton	39	13	6	84	302	232
Calgary	26	22	7	59	239	213
Winnipeg	18	34	6	42	210	268
Vancouver	17	30	8	42	201	239
Los Angeles	17	33	6	40	201	278

FRIDAY'S RESULTS

N.Y. Rangers	3	1	3	—7
Detroit	0	2	3	—5

Larouche 2 (6), Sandstrom 2 (20), Patrick (6), Maloney 2 (9); Foster (4), Gallant (14), Kocur 2 (6), Larson (16). Shots on goal: New York (on Laforest) 8-14-11—33; Detroit (on Vanbiesbrouck) 8-7-10—26.

[illegible]

St. Louis	3	1	1	—5

Flockhart (18), Federko 2 (23), Hunter 2 (34); Kasper (14). Shots on goal: Boston (on Wamsley) 16-9-8—33; St. Louis (on Daskalakis) 9-9-7—25.

Washington	1	1	2	—4
Los Angeles	0	1	0	—1

Gartner (28), Gustafsson 2 (20), Franceschetti (5); Taylor (25). Shots on goal: Washington (on Melanson) 10-6-12—28; Los Angeles (on Jensen) 7-8-9—24.

Soccer

ENGLISH FIRST DIVISION
Coventry 4, Birmingham 4
Coventry vs. Birmingham, ppd., weather
Newcastle vs. Aston Villa, ppd., weather

Points: Everton 56; Manchester United 55; Chelsea 54; Liverpool 53; West Ham United 51; Luton Town 47; Nottingham Forest, Arsenal, Sheffield Wednesday 46; Newcastle United 42; Manchester City 41; Watford 39; Tottenham Hotspur 35; Southampton 34; Queens Park Rangers 33; Coventry City 32; Leicester City 27; Oxford United, Ipswich Town 26; Aston Villa 25; Birmingham City 22; West Bromwich Albion 16.

ITALIAN FIRST DIVISION
Como 1, AC Milan 1
Inter 1, Bari 0
Juventus 1, Torino 1
Lecce 2, Atalanta 1
Napoli 0, Fiorentina 0
Pisa 0, Udinese 0
Roma 5, Avellino 1
Sampdoria 0, Verona 0

Points: Juventus 33; Roma 30; Napoli, AC Milan 25; Torino, Inter 23; Fiorentina 22; Sampdoria, Verona 20; Pisa 19; Como, Atalanta 18; Avellino 17; Udinese 16; Bari 15; Lecce 12.

SPANISH FIRST DIVISION
Hercules 1, Cadiz 1
Sevilla 1, Valladolid 0
Athletic Bilbao 1, Real Madrid 2
Osasuna 2, Celta 1
Atletico Madrid 1, Gijon 1
Zaragoza 3, Real Sociedad 1
Santander 1, Betis 1
Espanol 2, Valencia 1

Points: Real Madrid 42; Barcelona 36; Athletic Bilbao 31; Atletico Madrid 30; Sevilla, Gijon 29; Zaragoza, Real Sociedad 27; Betis 26; Valladolid, Espanol 23; Cadiz 21; Santander, Hercules 19; Valencia, Las Palmas 18; Osasuna 17; Celta 11.

WEST GERMAN FIRST DIVISION

[illegible]

INTERNATIONAL FRIENDLIES

[illegible]

Skiing

World Cup

MEN'S 30-KILOMETER NORDIC RACE

[illegible]

WOMEN'S RELAY (4x5 kms)

[illegible]

MEN'S 70-KILOMETER NORDIC RACE

[illegible]

Transition

BASEBALL
American League

KANSAS CITY—Agreed to terms with Onix Concepcion, shortstop, on a one-year contract.

MILWAUKEE—Signed Mike Felder, outfielder, and Bryan Duquette, pitcher.

OAKLAND—Signed Jay Howell, pitcher, to a one-year contract.

SEATTLE—Signed Eric Fox, outfielder.

TEXAS—Signed Oddibe McDowell, outfielder, to a one-year contract.

National League

CHICAGO—Agreed to terms with Jody Davis, catcher, on a three-year contract.

PHILADELPHIA—Signed Gary Redus, outfielder, and Ricky Jordan, first baseman, to one-year contracts.

SAN FRANCISCO—Signed Scott Garrelts, pitcher, and Luis Quinones, infielder, to one-year contracts.

BASKETBALL
National Basketball Association

CLEVELAND—Activated Mark West, center.

UTAH—Traded Jeff Wilkins, forward, to San Antonio for Marc Iavaroni and Jeff Cook, forwards.

FOOTBALL
National Football League

HOUSTON—Named Dick Jamieson offensive coordinator.

HOCKEY
National Hockey League

MONTREAL—Purchased the contract of Bill Campbell, defenseman, from Philadelphia and assigned him to Sherbrooke of the American Hockey League.

COLLEGE

BLOOMSBURG—Named Pete Adrian football coach.

Grown-Up Leslie Uggams Returns to Broadway

By Dena Kleiman
New York Times Service

NEW YORK — Leslie Uggams is back on Broadway, starring with Chita Rivera and Dorothy Louden in "Jerry's Girls," a revue of Jerry Herman songs from such shows as "Mack and Mabel," "La Cage aux Folles," "Mame" and "Hello, Dolly!"

But it is a bittersweet return; a reminder, Uggams says, of how much she loves the Broadway stage and how long it has been since she has appeared there. She has felt the frustration of being trapped by the stereotypes and expectations of an earlier time — a plight shared by many performers who achieve success at an early age.

Except for two shows that closed shortly after they opened, Uggams has not appeared on Broadway since 1967, when she had the lead in "Hallelujah Baby!" for which she received a Tony Award and was voted by New York theater critics as the season's most promising new actress.

Walter Kerr of The New York Times lauded her in that performance as "one of the most complete personalities to have descended upon us in many a mournful moon," adding, "Leslie Uggams has a secretive smile that suggests she knows something we don't know, and I imagine Broadway is going to keep her around long enough to find out."

The Associated Press

Singer-actor-dancer Uggams: "I can be elegant."

Yet in the 19 years in between, the actress, singer and dancer, now 42, has been seen primarily in nightclubs and in several television films — far less dramatic roles than she says she would like. The problem, she said, is one of "image. I do so many things, it has a tendency to confuse people. They didn't know where to put me. So they put me nowhere."

In some ways Uggams could be regarded as a case study of a performer who is seized upon because he or she embodies the style of a particular time and place but then is abandoned as tastes change and becomes a victim of the very characteristics that launched the earlier popularity.

Like Doris Day, Dinah Shore, Julie Andrews and other popular female entertainers of the 1960s, Uggams found that her wholesome good looks and ladylike manner got lost in the face of an emerging preference for the kind of stridency, black self-awareness and sexuality, embodied in such performers as Diana Ross.

It was not overt prejudice that stood in her way, she said, but her early success, which was predicated on being palatable to a general audience that was not accustomed to seeing blacks on network television.

Uggams got her big break in show business in 1961, when Mitch Miller invited her to appear on his television show as a teenager. She was a pixie-faced gamin with a big, toothy smile and was permitted to sing only cutesy songs. She was pegged a "sepia-toned Shirley Temple" — a caricature, she said, that came to haunt her at a time of dramatic changes for blacks in particular and entertainers in general. "I was caught in the middle," she said.

Referring to her status as one of the first black entertainers to appear regularly on U. S. network television, Uggams said, "I was a pioneer in doing one thing, but it hurt me in another. I would have liked to have had a record career, but I was stuck with Mitch Miller." The public "didn't want to see me grow up. They only wanted to hear the sweet songs. It was tough to shake. Motown was happening. So much was happening. I think it hurt me a lot."

Uggams got her start in show business at age 6 when she appeared on the television series "Beulah." Born to middle-class parents in the Washington Heights section of Manhattan — her father was a plumber, her mother a waitress — she never had to struggle, as so many black performers of her generation and before, amid poverty and the anonymity of Harlem dives. She attended the Professional Children's School and by age 9 had been discovered by Milton Berle and Arthur Godfrey, who featured her on their shows. Wearing patent leather pumps and frilly white party dresses, she would sing, dance, do imitations and beam into the camera.

At 14, during an appearance as a contestant on "Name That Tune," she was spotted by Miller, for whom Uggams — then always clad in demure dresses — belted out Irving Berlin tunes such as "I Love a Piano."

In her early days on Miller's show, when it was still rare to see blacks on television, "it was a heavy load — I was responsible for having a clean image. I wanted people to have respect for black people."

At 20 she left the show to carve out a successful nightclub career. But from the start her little-girl image stayed with her — and plagued her.

In 1963, when she appeared at the Plaza, she spoke of wanting to stop being seen as the girl next door. "I'm not knocking that image," she said following a performance in which she wore a slinky dress and a sophisticated hairdo. "But even the girl next door has to have sex appeal." In one nightclub act at the Copacabana in 1965, she announced she would perform "all the sexy songs Mitch wouldn't let me do."

Yet the ghosts did not disappear. After "Hallelujah Baby!" her career became a string of false starts and disappointments. She couldn't shake the image of being acceptable rather than provocative.

In 1969, at the age of 26, Uggams became the first black woman to have her own network variety show — replacing the Smothers Brothers on CBS — but critics questioned whether she was ready for it. "She has come a way from her early days on 'Sing Along,' including her success on Broadway," The New York Times's Jack Gould wrote of her show, "but she is not a singer of much personable or emotional depth."

Ten weeks later, the show was pulled off the air — a blow Uggams said she learned about from a newspaper in her dentist's office. "It was my first big setback," she said. It came on the heels of her performance opposite Richard Kiley in the Broadway musical "Her First Roman," which received mixed notices and closed after 17 performances. It was about this time that she returned to the safe harbor of nightclubs, where she has by and large remained.

"My husband said you have to learn success from failure," Uggams said. Her husband of 20 years, an Australian businessman named Grahame Pratt who had spotted her one night in a Sydney nightclub, recently became her manager. It was Pratt, she said, who encouraged her to continue to seek out more television appearances.

In 1977, she was nominated for an Emmy award for her role as Kizzy, an elderly woman in the acclaimed television mini-series "Roots." But, she said, that role only helped compound confusion about her image. "People have a tendency to think of me either as a little girl or as very old," she said. "I'm not old. I'm not a kid either. I've grown up. I can be elegant. I can be sexy. I can be sophisticated."

Five years ago Uggams returned to Broadway in "Blues in the Night," a show that received mixed reviews and closed shortly after opening. "I should be doing more," she said. "Jerry Herman and I know each other for a while. It's through our friendship that I got to do this show. But I've done Broadway before. How come I don't hear from anyone else? I'd like to do more acting. I'd love to do movies and act on TV. I'd like to do something on a regular basis. But you can't just sit around waiting for a good script. You can wait forever."

Uggams spoke frequently of being "grown up" now. The recent loss of her parents has been a difficult blow. Her deepest personal regret of late, she said, is that her mother, who died of cancer, never got to see her once again on Broadway.

Uggams said she believed her appearance in "Jerry's Girls" was an important new beginning. She would like the public to see her as sophisticated and elegant, capable of doing comedy as well as drama, singing as well as dancing, but, most of all, of being able to act. "I'm so happy to be back on Broadway," she said. She added, her voice breaking: "I needed to do that."

LANGUAGE

Commas and the Mythology of Space

By William Safire

WASHINGTON — In the language of the heavens, myth has become reality. You cannot look into the night sky without knowing your gods and goddesses, and cannot speak of space without an ear for current pronunciation.

Triumph and tragedy, to use Churchill's alliteration, have been felt by Americans watching the skies in recent weeks. A few queries came in about language used in connection with the space shuttle Challenger, and it is not to trivialize the United States's sense of loss to deal here with matters of grammar associated with the event.

Why is there no comma before the proper noun *Challenger?* The absence of the comma is easily explained. If written as *the space shuttle, Challenger,* the phrase before the comma would specifically describe the noun, meaning "Challenger is the name of the space shuttle," as if there is no other space shuttle. But there exist three others, which is why the correct phrase is *the space shuttle Challenger.*

LET us turn now to the happier story on the same subject: The space probe Voyager-2 (again no comma, because there is more than one space probe) passed by the seventh planet from the sun and caused great consternation among those who would pronounce the name of the planet correctly.

"I was raised in New York," writes Joyce S. Cohen of Morganville, New Jersey, "where the name of the planet Uranus was pronounced *u-RAY-nus,* not *YURR-in-us,* as the newscasters of late and the dictionary clearly say. I have polled everyone I know in New Jersey, where I now live, and they also say it incorrectly. It sounds like an affectation to say it 'correctly.' Should I continue my mispronunciation because 'everyone else does it'? Things like this drive me crazy."

Common usage counts in pronunciation; frankly, I have always pronounced *Uranus* much the same way I pronounce *uranium,* and at first I suspected the announcers were coming up with a pronunciphemism. I called a couple of astronomers:

"The seventh planet's name comes from the Greek *Ouranos,* or 'heavens,'" replies the best-known name in stargazing, Carl Sagan, "and in Greek myth that figure is two generations before Zeus — Zeus' grandfather, I suppose you'd say. Because the Greek word means 'heavens,' it seems logical that the astronomers of William Herschel's day should name the outermost planet then known 'Uranus.'"

The pronunciation? "That involves a continuing debate," says Sagan, whose name is pronounced *SAY-gun,* not to be confused with the French author of the same name, tristesseful Françoise Sagan, who pronounces it *sa-GANH.* "The debate is not unlike that of the pronunciation of Io, the innermost major moon of Jupiter. Should that moon be pronounced *EE-o,* as the people of the Mediterranean first said the name, or should it be pronounced *EYE-o,* as the Oxford unabridged dictionary indicates?"

My problem is not with Old MacDonald's moon, I explained, but with this planet now in the news.

"Predominantly the planet is pronounced *YUR-in-us.* Why it's often heard as *yur-A-nus,* I don't know. I say *YUR-in-us.* And I pronounce Jupiter's moon *EE-o,* because I think the original pronunciation deserves to be used."

Always get a second source. I turned to the world-renowned astrophysicist Owen Gingerich, Smithsonian professor of astronomy and of the history of science at the Harvard Center for Astrophysics, known to bibliophiles as the census-taker of every possible copy of the first edition of Copernicus's "De revolutionibus."

"The correct pronunciation of the seventh planet is *YUR-in-us,*" says this modern Copernicus. "The confusion of *yur-A-nus* began when some high school teachers were afraid that students would titter at the correct pronunciation." These teachers wanted to avoid the sound of the first two syllables, and caused a pronunciation in which the last two syllables were stressed. A generation later, the second combination of syllables made up a word that was more to be avoided than the first, and the prior pronunciation returned. That answers Joyce Cohen's question.

Gingerich explains that William Herschel wanted to name the planet he discovered after his patron, King George III, but the French resisted and vindictively called it Herschel; when both French and English astronomers spotted an eighth planet, a deal was made: Neptune, with its associations with Britannia, was to be its name, and Herschel (the planet) was to be called Uranus.

WE are now into mythology. Earth (*Gaea* to the Greeks, *Tellus* to the Romans) married *Uranus* (in Greek, *Ouranos*), the heavens, and their descendants included many gods and goddesses for whom planets were named: using the Roman names, *Mercury,* the swiftest god, for the planet that completes its circle of the sun fastest; *Venus,* goddess of beauty, for the most brilliant; *Mars,* god of war, for the red planet, and *Jupiter,* supreme god, for the largest planet. Farther out, *Saturn* was Jupiter's father, and *Uranus* was Saturn's father. *Neptune* was Jupiter's brother, as was *Pluto,* the god of the underworld, fitting for the darkest and coldest planet.

Moons are given wonderful names, often derived from the stories of their planets. The first four moons discovered around Jupiter were named after some of that god's seductions: *Io* (we know all about her), *Europa, Ganymede* and *Callisto.* The two moons of Mars are named, according to one version of the myth, for the children of *Mars* (the Greek *Ares*): *Deimos* (Terror) and *Phobos* (Fear).

Uranus, however, has four of its moons named after characters in Shakespeare: *Oberon* and *Titania* are king and queen of the fairies in "A Midsummer Night's Dream" and *Ariel* and *Miranda* are from "The Tempest." The *Miranda* decision of the astronomer Gerard P. Kuiper was especially apt: She is the daughter of the magician Prospero, kept from other men, who falls in love with Prince Ferdinand, virtually the first man she has met, and later exclaims, "How beauteous mankind is! O brave new world / That has such people in't!"

Voyager-2 has discovered 10 new moons of Uranus. If the International Astronomical Union does not see fit to name one of them *Ferdinand,* I for one will forever call its planet *Herschel.*

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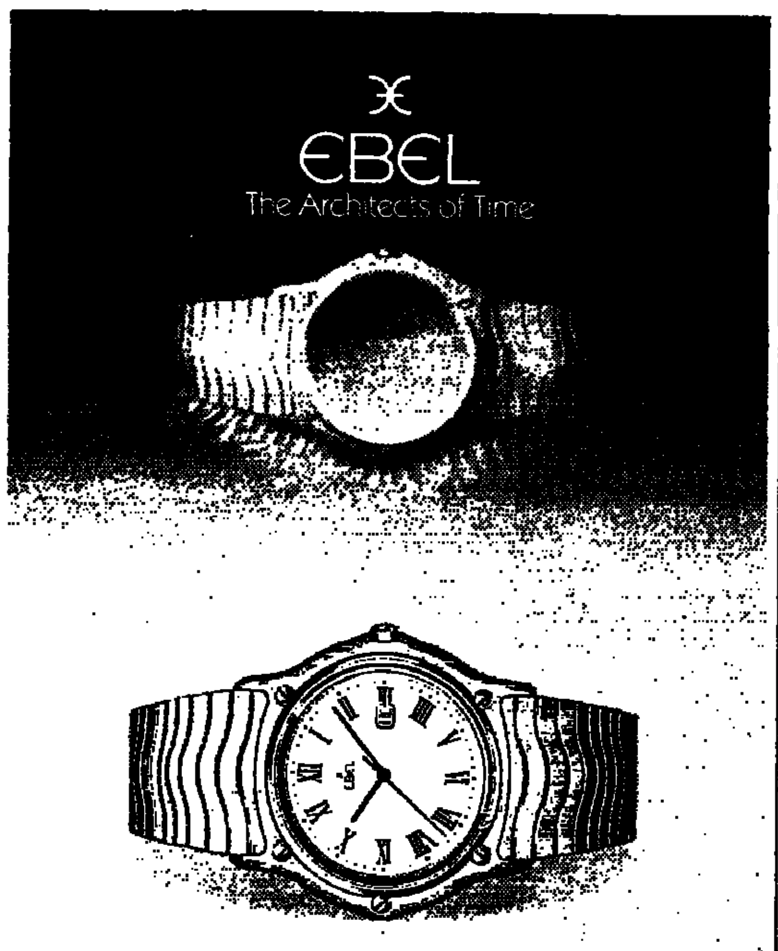

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